

The complaint

Mr C complains that Santander UK Plc blocked the joint account he held with his wife. As a result, he was unable to make a payment to HMRC, with the result that a fine was incurred.

What happened

Mr C has explained that, at the relevant time, he was an account holder on three accounts with Santander. He had a sole account, a partnership account (with three other individuals, including his wife) and a joint account which he held with his wife. This complaint concerns the joint account.

The joint account was previously a sole account in Mr C's name. He has explained that he added his wife as a joint account holder for convenience.

In February 2025 Mr C identified that the joint account had been blocked. He says he did not receive any notification that this was about to happen. Instead, the bank wrote one letter to his wife. Mr and Mrs C did not receive this immediately, as they were abroad between the middle of December 2024 and early March 2025.

Santander says that it needed information from Mrs C in order to meet its "know your customer" (KYC) obligations. When it did not receive any response to its queries, it suspended the account, having told Mrs C that it would do so.

The account was suspended from 20 February to 6 March 2025. Restrictions were also placed on the partnership account.

Mr C complained about what had happened. He did not think the accounts should have been blocked, and he said that the block on the joint account had prevented him from making payments – including of money due to HMRC. He said too that he had not been given proper notice of what the bank was doing.

Santander acknowledged that its actions had caused distress and inconvenience. It paid £150 in recognition of that, although it did not believe it had acted unfairly. It later clarified that the payment had been intended to cover all the issues Mr C had raised – not just those in respect of the joint account.

Mr C referred the matter to this service. One of our investigators considered what had happened but concluded that the bank had done enough to resolve matters. Mr C did not accept the investigator's assessment and asked that an ombudsman review the case.

I did that and issued a provisional decision, in part because I needed the parties to clarify who had been account holders, and when. The information I had was contradictory in some respects, so I am grateful for the further information which Mr C and Santander provided in response to my provisional decision.

I indicated in my provisional decision that, based on the information I had at the time, I was not likely to uphold the complaint.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In bringing this complaint, Mr C has referred to his other accounts with Santander – in particular the partnership account. But I can only consider here the complaint about the joint account. That's because the holders of the other accounts are different, and so any complaint about those accounts would have to be dealt with as separate complaints.

Banks have various legal and regulatory obligations, including obligations to ensure that the information they hold about their customers is accurate and up to date. In this case, Santander concluded that it needed to check the information it held about Mrs C.

I think it was appropriate of Santander to carry out a KYC check in this case. In order to do that, it needed to contact Mrs C. It was, in my view, reasonable to do so by writing to her. Santander has provided templates of the letters it says it would have sent to Mrs C, but it has not been able to provide copies of those letters. Mr C has not done so either, although he has not disputed that they were sent and received at his and his wife's home address. He says only that they were sent while they were away.

When it did not receive a response to its letter, I think it was reasonable for Santander to restrict the account until it did have the information it needed.

It is unfortunate that Mr and Mrs C did not see the bank's request when it was sent. As a result, the KYC check could not be completed until later, by which time HMRC had levied a fine for late payment. (I note that the correspondence from HMRC is addressed to Mrs C.) But, since I have concluded that it was reasonable of the bank to block the account, I cannot properly hold it responsible for the situation.

My final decision

For these reasons, my final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 March 2026.

Mike Ingram
Ombudsman