

The complaint

Mr A complains that Santander UK Plc unfairly placed a fraud marker against his name and closed his bank account.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr A had a current account with Santander.

On 22 April 2025, Mr A received a payment into his account, of just under £3,000 from a third party I will refer to as P. Mr A immediately transferred the funds to another account in his name and spent the rest of the funds.

Following this Santander were notified by another bank that one of their customer's had been a victim of a scam and that the payment from P was fraudulent. It said that Mr A wasn't entitled to the funds. So, Santander placed a block on Mr A's account and asked him to get in touch so that it could ask him about why he'd received the money. And to provide evidence that he was entitled to the funds.

Mr A didn't respond. Following this Santander closed Mr A's account immediately and applied a 'misuse of facility' marker with Cifas. Santander wrote to Mr A on 7 May 2025; to let him know it would be closing his account in 30 days and that during the notice period his account would remain blocked.

Mr A discovered Santander had loaded a cifax marker against him after other accounts he had begun to be closed. Mr A contacted Santander in September 2025 and said he wasn't aware the money paid into his account was fraudulent.

Santander reviewed the information Mr A provided. But after a second review of the cifax loading, they made the decision to keep it in place as they'd correctly followed their internal procedure. In summary Santander said:

- The reported funds were rapidly exited by Mr A and spent.
- The standard of proof for the marker type is met when it can demonstrate that the customer ought to have thought, suspected or known that the funds they received might not be legitimate.
- If Santander met the standard of proof required by cifax, it is obligated to load the case to the National Fraud Database in order that the intelligence on a high-risk individual is shared with other financial institutions and external law enforcement.

Mr A remained unhappy, so he brought his complaint to our service where one of our investigators looked into it. The investigator asked Mr A to provide more information about what had happened. In response, Mr A said the funds were sent to his account by an acquaintance who told him that the payments related to legitimate trading activity from a

food-stall business. And at the time he had no reason to believe that the funds were connected to any fraudulent activity. He said he had no involvement in the underlying business and no relationship with the third party that sent the money to his account.

To support his explanation Mr A provided a signed statement dated 7 February 2026 from the person he says arranged the payment, who I will refer to as Mr K. In the statement, Mr K said he'd made the payment to Mr A and that Mr A didn't have any knowledge of any wrongdoing in relation to the funds.

Our Investigator reviewed everything and thought Santander had fairly applied the cifax marker. And that Mr A had benefited from the fraudulent funds. The investigator also thought Santander had acted reasonably by closing Mr A's account, as the terms and conditions allow them to do so if they suspect criminal activity.

Mr A didn't accept the investigator's findings. In short, he said:

- He wasn't aware the money paid into his account was fraudulent.
- He accepts he was responsible for the account activity and movement of the money. And there is no evidence he participated in fraud.
- The consequences of a cifax marker are serious and he used his account for ordinary day-to day spending.

The Investigator considered what Mr A said but their position remained the same – that being it would be unfair for the Cifax marker to be removed. The investigator added:

- The money hadn't originated from an account in Mr K's name.
- The statement Mr A provided by Mr K was dated after the events.
- Mr A hadn't responded to Santander at the time it reached out to him for information about the payment.

Mr A remained unhappy. As no agreement could be reached the matter has come to me to decide.

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.

I shall deal first with the closure of the account. Santander is entitled to end its relationship with a customer, as long as this is done in line with the terms and conditions of the account and is what I consider to be fair and reasonable.

Santander's account terms set out it can close a customer's account immediately where it believes they have broken the law, breached the account terms, or put it in a position where it might break the law. Santander received a report that the account was in receipt of the proceeds of crime. So, this met more than one of its conditions for immediate closure.

I also find that had Santander not closed the account immediately, it would have been in a position of risk in allowing the account to potentially continue operating illegally – whether or not Mr A knew that the funds were fraudulent. For these reasons I find that the closure and notice provided were fair in the circumstances.

I then turn to the cifax maker.

Mr A has said that he does not know the third party, P, that paid the funds into his account. However, his account statement would have shown who the payer was, and he would have known the money had not come from Mr K. And it is quite clear that Mr A immediately moved the majority of money to another account in his name.

When Santander reached out to Mr A and asked him to provide information about why just under £3,000 had been paid into his account, Mr A didn't respond. Mr A hasn't provided any explanation why he didn't do so. It appears Mr A only contacted Santander once he realised a cifax marker had been loaded against his name, which was months later. I find this odd. Especially as Santander closed Mr A's account and he still had an account balance. I think this would reasonably have prompted Mr A to get in touch.

Mr A's later explanation – that Mr K had paid the proceeds from a food stall into his account just doesn't ring true. He must have known the money did not come from Mr K. And in any event the statement he has provided from Mr K has been written after Mr A was in possession of more information about the origins of the funds. So, I don't think I can place much weight on the statement.

I've also got no way of verifying the authenticity of the statement. I've not been provided with any evidence to show what led up to Mr A receiving the funds – for example any communications between him and Mr K. If Mr A was an unwitting beneficiary of fraudulent funds as he has suggested I would expect him to be able to provide such evidence. But he hasn't done so.

I do sympathise with Mr A's circumstances and the impact the marker is having on his day-to-day life. But I must also look at the evidence objectively and decide whether Santander acted fairly at the time it decided to load the marker. Even if Mr A did not know the exact details I think Mr A must have known that his account was being used for fraudulent activity and that he benefitted from fraudulent funds. Overall, I am not persuaded by Mr A's story, and I am satisfied Santander met the requirements of cifax to lodge the marker. I've not found anything that would suggest it's appropriate to ask them to remove it prior to the relevant removal date.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 April 2026.

Sharon Kerrison
Ombudsman