

Mr O complains that Santander UK plc closed his account and recorded a CIFAS marker against his name. CIFAS is the UK's fraud alert service.

background

On 23 July 2018 Mr O received a payment of £1,750 into his account. Later the same day he withdrew £1,600 of that money in cash at a Santander branch and shortly after that withdrew a further £100 at a cash machine.

Santander blocked Mr O's online banking and he called to find out why. Santander asked about the transactions of the previous day. Initially, Mr O said the money had been transferred to him so he could give it to someone. He later said that he had borrowed the money and that he needed it for personal reasons. A few days after that Mr O said he needed the money for a holiday.

Santander wasn't happy with Mr O's explanation. It also identified that the money was fraudulent – in the sense that it had been traced back to an account from which it has been taken without the customer's authority. Mr O said he didn't know that, but Santander closed his account and registered the CIFAS marker.

Mr O didn't think he'd been treated fairly and referred the matter to this service, where one of our investigators considered it. She concluded however that, in closing Mr O's account and placing the CIFAS marker against Mr O's name, Santander had not treated Mr O unfairly. Mr O didn't agree and asked that an ombudsman review the case. He was particularly concerned about the CIFAS marker, which he says will prevent him from opening an account elsewhere.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I have however reached broadly the same conclusions as the investigator did, and for similar reasons.

I accept that Santander was right to be concerned about the payment into Mr O's account, since it had been traced back to an unauthorised transfer. So it was understandable that it asked Mr O some questions about it.

Mr O's responses to those questions were, however, inconsistent and, in my view, not credible. And the only evidence he was able to provide were screenshots of the money being received and then sent to his account.

I'm prepared to accept that Mr O may not have known exactly what was happening or what the exact source of the funds was. But in my view that's all the more reason for him to have questioned what he was being asked to do. And I believe that Santander was right to disbelieve him when he said that he was borrowing the money and that he needed it for a holiday.

For these reasons, I don't believe that Santander treated Mr O unfairly when it took the decision to close his account and register his details with CIFAS.

my final decision

My final decision is that I don't require Santander UK plc to take any further steps to resolve Mr O's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 18 December 2019.

Michael Ingram
ombudsman