

complaint

Mr R complains that Santander UK Plc unfairly closed his bank accounts. He says this caused him a great deal of distress and inconvenience. He wants Santander to reopen his accounts.

background

On 20 February 2016, Mr R opened two accounts with Santander, a basic current account and a basic top up debit card account.

On 1 March 2018, Mr R submitted an application to upgrade his basic account to a regular current account. Following receipt of his application, Santander conducted credit and security checks. As a result of these checks, Santander identified that Mr R had a Credit Industry fraud marker (CIFAS) against his name, which had been loaded by another bank, which I will refer to as bank B.

Mr R had opened an account with bank B in 2015. In February 2016, fraudulent funds were paid into this account. Bank B closed Mr R's account in March 2016 and notified CIFAS about this activity in October 2016. As a result of this marker, Santander declined Mr R's upgrade application and decided to close his accounts.

Santander contacted Mr R and explained why it had decided to close his accounts. Santander referred Mr R to CIFAS and gave him 28 days' notice to make alternative banking arrangements. Mr R withdrew the balance from his account in March 2018, and his account was closed in April 2018.

Mr R complained to Santander about the closure of his accounts. He said Santander had treated him unfairly. He explained that the closure of his accounts had caused him a great deal of stress and anxiety. And he has had trouble opening other bank accounts. Mr R also said he had to leave university because he didn't have an account to use to receive his student loan.

Santander reviewed its decision to close Mr R's accounts. It said it had acted in accordance with the terms and conditions of the account. And said it wasn't willing to reopen the accounts. Unhappy with this response, Mr R brought his complaint to our service.

An investigator looked into Mr R's complaint. She said that bank B should have applied the CIFAS marker sooner than it did. And because of the delay Santander wouldn't have been aware of the CIFAS marker at the time Mr R opened his accounts, in February 2016. The investigator said that Santander had acted in accordance with the terms and conditions of the account when it decided to close Mr R's accounts. And that Mr R hadn't provided Santander with information about the fraudulent activity on his account with bank B. So Santander weren't in a position to make an informed choice about offering Mr R an account Mr R disagreed and asked for an ombudsman to review his complaint.

On 18 July 2019, I issued a provisional decision on Mr R's complaint. In my provisional decision, I explained my conclusions and reasons why I didn't think it was unreasonable for Santander to close Mr R's accounts. This was because:

- a CIFAS marker had been applied against Mr R's name by the time he applied to upgrade his account with Santander;

- when Santander completed its credit and fraud checks as part of the application process it was notified of the marker and in accordance with the terms and conditions decided to close Mr R's accounts;
- at the time of opening his Santander accounts, under the Payment Regulations 2015 Mr R *wasn't* eligible for a basic bank account;
- I hadn't seen any evidence to show that Mr R deliberately withheld information from Santander about the activity on his account with bank B. However, based on the circumstances, I thought it unlikely Santander would've offered Mr R a bank account, had it been made aware by Mr R of what happened with bank B and
- Santander was entitled to rely on the records CIFAS held. Businesses are required to record matters of fact and as a consequence Santander was entitled to take action based on what CIFAS provided in response to its checks.

I asked Mr R and Santander to let me have any further information they wanted me to consider before I reached my final decision. Santander didn't have anything further to add. Mr R confirmed he'd received my provisional decision. But he didn't provide any further information for me to consider.

my findings

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

As Mr R and Santander haven't made any more comments, or offered any more evidence, my findings about this complaint haven't changed.

It follows that I don't uphold Mr R's complaint.

my final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 September 2019.

Sharon Kerrison
ombudsman