

complaint

Mr D complained because Santander UK Plc returned an incoming payment to the sender, closed his account, and put a CIFAS (fraud) marker against his name.

Mr D wants the money returned to him, the CIFAS marker removed, and compensation.

background

On 2 April 2019 a credit for £10,000 was transferred into Mr D's Santander account from a Mr K. On 3 April, a further credit for £10,000, from Mrs H, was transferred into his account. This was the ninth credit for £10,000 from her account.

On 4 April, Santander wrote to tell Mr D that it had temporarily blocked his account. It asked Mr D to get in touch. On 25 April, Santander wrote again, saying it was withdrawing Mr D's banking facilities with immediate effect. It also placed a CIFAS marker against Mr D's name.

Mr D complained. On 26 April, Santander spoke to Mr D. Mr D said that he traded in bitcoins via a trader – Mr A - and that's what the incoming payment from Mrs H was for. He told Santander he had already been in contact regarding the money from Mr K as he hadn't recognised it. He was told there was nothing Santander could do about it.

Santander said it would investigate what Mr D had said about the transactions, and whether he was entitled to the money. It (Santander) also said it didn't work with virtual currency, so it would be closing his account. Mr D said his account had been running for some time, and he hadn't initially used it to sell bitcoins.

Santander didn't change its mind about closing Mr D's account. It wrote to tell Mr D it wouldn't be offering him banking facilities in future - and said the CIFAS marker would remain. It returned the two £10,000 payments to the senders.

Mr D wasn't satisfied and complained to this service. He wanted the money from Mrs H back, the CIFAS marker removed, and compensation. Mr D also said that another bank had closed its account with him as a result of Santander's CIFAS marker. Mr D obtained a copy of this from CIFAS. This showed that Santander had recorded a marker on its National Fraud Database, on the basis of "*misuse of facility*" and "*fraudulent faster payments transaction: first party fraud.*"

Our investigator didn't uphold Mr D's complaint. He said he'd looked at the detailed reasons why Santander had put the CIFAS marker against Mr D's name and agreed that Santander had good reason to take the action it did. The investigator also noted that Mr D had said he'd used the account for the business purpose of selling bitcoins. So, he'd breached the account terms and conditions by using a personal account for business purposes, though that hadn't been the main reason why Santander had closed Mr D's account.

Mr D said he hadn't disputed Santander's right to close his account, but he wanted the £10,000 from Mrs H which Santander had removed from his account. He reminded our investigator that he had in contacted Santander when Mr K's money had credited his account because he didn't know a Mr K and wasn't expecting the money. He also said that he had pursued Santander through the courts and the CIFAS marker had now been removed - so the return of the money was the only remaining issue.

Santander confirmed with this service that following a review of Mr D's account, it had in fact removed the CIFAS marker but its stance in relation to the credits to Mr D's account remained the same.

my findings

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

Mr D is no longer complaining about the CIFAS issue, so the only remaining issue for me to consider is whether or not Santander acted fairly when it refused to refund Mr D with the disputed credit into his account.

Mr D told Santander he had been selling bitcoins to Mrs H via a trader for a few months. He *now* had some concerns about the trader because he was the same trader involved in the credit from Mr K – but prior to that, he had not been concerned. He said he knew the credits from Mrs H would have involved her having to go to her own bank and confirming the payments in person. So, he was satisfied the transfers were genuine. This was despite the fact he had requested confirmation of Mrs H's identification from the dealer and had never been provided with it.

I've thought about Mr D's entitlement to these funds. He has presented a statement which he says shows the purchase of what looks like bitcoins – and so he is owed the money from Mrs H. But if there are concerns as to whether Mrs H knew where she was sending her money to and for what purpose, then Santander is entitled to act as it has.

I think Mr D may have realised now that the dealer he was working with might not have been who he said he was – and the funds from Mrs H may not have been sent by her with the intention of buying bitcoins. Mr D may want to be reimbursed – but that money will not be coming from the disputed funds sent from Mrs H.

In the circumstances, I have seen nothing to suggest Santander has acted unfairly or unreasonably in debiting Mr D's account and returning the funds to the third-party bank.

I make no comment in relation to the account closure or the CIFAS marker as Mr D confirmed he was now only pursuing the complaint regarding the disputed funds.

my final decision

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 D to accept or reject my decision before 20 August 2020.

Shazia Ahmed
ombudsman