

## **complaint**

Mr and Mrs C complain that Santander UK Plc blocked a cheque without telling them, and then failed to respond properly to their complaint.

## **background**

Mr and Mrs C have a joint account with Santander. On 10 April 2014 Mr C wrote a cheque for around £3,300 on the account. Santander thought this was an unusual payment, so on 24 April it blocked the account until it could confirm the cheque was genuine. However Santander did not stop the cheque.

Mr C wrote a second cheque a week after the first, this time for about £370. He made this payment to bailiffs on behalf of a third party. But Santander stopped this cheque because Mr and Mrs C's account had been blocked. So the bailiffs charged the third party a late payment fee of almost £100. Mr C paid this from a different account.

Mr and Mrs C complain that Santander should not have stopped the second cheque. They say they were never informed about the block until Mr C visited his branch on 28 April 2014 and had the block lifted. They also say it took seven months to get a response from Santander after they complained. They want a refund of the bailiffs' fee and an explanation.

Santander says that it blocked the account because it thought the first cheque might be fraudulent. It says it tried to phone Mr C three times to tell him, and left a voicemail, on 24 April. It wrote to Mr C and spoke to him on the phone several times about his complaint. And in July 2014 it paid him two payments of £20 as gestures of goodwill.

Our adjudicator upheld this complaint. He accepted that Santander can reject a cheque it thinks is suspicious, but he did not think that either of the cheques were unusual. He thought Santander was wrong to stop the cheques, and should have written to Mr and Mrs C. He suggested it pay them another £160 for inconveniencing them. However he did not think Santander should have to refund the bailiff's fee, because it wasn't Mr C's debt, and he chose to pay it.

Mr and Mrs C accepted this decision, but Santander did not. It says it was reasonable to block the account. It said that suspected fraud has to be dealt with as quickly as possible, so posting a letter about its suspicions would have been too slow. It did enough when it left a voicemail. So I have looked into this complaint.

## **my provisional findings**

I wrote a provisional decision as follows.

Before Mr C wrote the £3,300 cheque, he or his wife had written four previous cheques since the start of 2014. The largest of those was for £300. So the fact that the fifth cheque was for over ten times more than that alerted Santander to the risk of fraud. Mr C has pointed out that he had previously made a payment for a similar amount, without his account being blocked. He says Santander has acted inconsistently. But the payment he refers to was not a cheque, but a card payment, so Santander can have a different approach to how it assesses the risks of this type of payment. Also the card payment did not leave his account overdrawn, but the cheque did. This account was rarely overdrawn, and had not been overdrawn since

mid-January 2014. Santander has argued that this in itself is unusual for the spending patterns of that account.

I agree. I think that Santander was justified in treating this cheque with caution. I find it puzzling that Santander then allowed the cheque to be paid. But that does not mean that Santander was wrong to block the account. It follows that Santander was not wrong to stop the second cheque.

I don't think that Santander had to write to Mr and Mrs C about the block. The bank was trying to contact them urgently, and so I accept its argument that the post would take too long. Having left a voicemail, it was reasonable for Santander to expect Mr or Mrs C to call back. I appreciate that Mr C says he has been phoned before by fraudsters pretending to be Santander, so he is sceptical whenever he receives a call from a bank. That is why he ignored the calls. But he knew the correct number to call Santander on. While it might have been helpful if Santander had written a letter as well, I don't think it was required to – and I don't think Santander acted unreasonably.

I have seen two letters which Santander wrote to Mr C in May 2014 dealing with his complaint, and two more in July. The May letters acknowledge his complaint. The July letters each contain an apology and say that £20 has been added to his account (because he had to visit his branch to lift the block). The first July letter accurately explains why the account was blocked. The second July letter appears to contain an error, in that it suggests that the cheques to the bailiffs were never presented, when in fact they were. That is poor service. But Mr C had been given the correct information in the first July letter, and also in a phone call in May. So I do not think that the error would have caused him significant distress.

### **responses to my provisional findings**

Santander had nothing to add. Mr C did not accept my decision. He replied to emphasize that he had previously received 35 phone calls from fraudsters pretending to be Santander. He also argued forcefully that if Santander had stopped the £3,300 cheque, it would have brought the block to his attention sooner. He would have had time to have the block lifted before he wrote the second cheque, and the bailiffs would not have charged a fee.

### **my findings**

I have reconsidered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I can see Mr C's point about the consequences of Santander not stopping the original cheque. In my provisional decision I commented that this seemed like an odd decision to make about a cheque Santander thought might be fraudulent. And I agree it is likely that if Santander had stopped the cheque, then the block would have been lifted before the second cheque was written. But stopping the first cheque might well have had adverse consequences to Mr C in relation to the first transaction. Mr C benefited from Santander's actions to the extent that the original purchase – which of course was not fraudulent – went through uninterrupted.

Mr C had already told me about the fraudsters' calls, which I took into account when I wrote my provisional decision. I have not changed my mind about that.

**my final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs C to accept or reject my decision before 19 October 2015.

Richard Wood  
**ombudsman**