

The complaint

Mr C complains that Santander UK Plc closed his credit card account after he had provided a copy of his passport as required. He believes he is being discriminated against for being an Irish National and wants an apology and his account reopened.

What happened

Mr C says that his credit card account which he had held for a number of years, was withdrawn after he provided a copy of his Irish passport as proof of identification. He says that he submitted the passport through Santander's website complying with the instructions. He says that Santander initially claimed it hadn't received the passport but then admitted on a call that it had. He says his credit card account was closed in May 2023 which he believes was due to him being an Irish national.

Santander explained that Mr C's accounts were reviewed as part of its Know Your Customer (KYC) requirements. It said that the copy of the passport Mr C submitted in February 2023 wasn't accepted as it did not include his signature on the other page. It said Mr C submitted documents again, but further information was needed and as it didn't get a response Mr C was informed his account would be closed.

Santander initially didn't uphold Mr C's complaint. But in May 2023, it said that although Mr C hadn't provided all the documents needed to remove a block it should have made further attempts to contact him which could have ultimately prevented the account closure. It said it still didn't have all the required documents so it wasn't able to reopen Mr C's account and he would need to submit a new application. Because of the issues Mr C experienced it arranged for a cheque for £75 to be sent to his registered address.

Mr C wasn't satisfied with Santander's response. He felt he had been racially discriminated against and his account was closed due to him being an Irish national. He referred his complaint to this service.

Our investigator upheld this complaint. He said Santander had accepted it should have made Mr C aware that the documents supplied weren't sufficient for the account review to be completed which resulted in the account being closed. He thought it likely if Mr C had been made aware of this, he would've taken action to avoid the closure. He understood that Mr C felt he was being discriminated against and didn't think that Santander had grasped how its actions had affected Mr C. Because of this he recommended that the compensation be increased to a total of £150. He also said that Mr C should apply for the credit card (if he wanted to) and that Santander should remove the credit check.

Santander agreed to the additional compensation and while it didn't initially agree to the removal of the credit check it then said that if Mr C reapplied for his account, it would remove the credit search that would be applied to his credit file at that time. It said that it would require Mr C to confirm when he had made the application so it could start the removal process.

Mr C asked for his complaint to be reviewed by an ombudsman.

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 can understand why Mr C is upset by the experience he had with Santander. Santander has explained that Mr C's account was reviewed as part of its KYC requirements. Given this I do not find it unreasonable that Mr C was asked to provide certain documents.

I have looked at the contact notes provided by Santander and can see that Mr C was contacted and asked to provide documents to confirm certain personal details. Mr C provided a copy of his Irish passport, a bank statement and tax return. Unfortunately, there were issues and while Santander did try to call Mr C on 17 February the call was unsuccessful. Mr C spoke with Santander in April 2023 and was told the issue with his documents. Mr C resubmitted his documents including a copy of his passport with the signed signature page. It appears that these weren't received at the time and even once received there were still further documents needed but Mr C wasn't made aware of this, and his account was closed.

While I accept that Santander has KYC requirements and that the documents received from Mr C didn't satisfy all of its criteria, I think it should have done more to alert him to the issue to enable him the opportunity to prevent his account being closed. I can see that Santander has acknowledged this and provided Mr C £75 compensation.

Mr C feels he has been discriminated against due to being an Irish national. While we take any allegation of discrimination seriously, I should first explain that we are an informal dispute resolution service, meaning we don't have the power to decide whether or not Santander is in breach of the Equality Act 2010, as only a court has the power to do this. What we can do is take relevant law and regulation into account when deciding what's fair and reasonable in the circumstances of a complaint.

I can see from Santander's notes that an initial issue was that the signature page of the passport wasn't provided and then that further documentation was needed. However, the lack of communication about the issues has caused Mr C upset and he feels he hasn't been treated fairly. Because of this, and the upset caused, I agree with our investigator that additional compensation should be paid.

Mr C's account was closed and cannot be reopened. However, Mr C can reapply for the account if he wishes. This would result in a credit check being applied to his credit file and in this case, I agree that it is fair that if Mr C reapplies for his account that the credit check undertaken at the time would be removed from his credit file. Santander has agreed to this and has said that Mr C will need to inform it of when he applies so this process can start. I find this reasonable.

Regarding the amount of compensation I have taken into account the upset Mr C suffered and the inconvenience if he now wishes to reapply for his account. I have also noted that Santander did, in May, accept it hadn't provided the service it should have and paid compensation at that time as way of apology. Based on this, I find that the recommended additional £75 compensation, bringing the total amount of compensation to £150, is reasonable.

Putting things right

Santander should pay Mr C an additional £75 compensation (bringing the total to £150) for the upset and inconvenience he has been caused.

If Mr C decides to reapply for his account, Santander should remove the credit search that would be applied to his credit file at that time. It has explained that it would require Mr C to confirm when he had made the application so it could start the removal process.

My final decision

My final decision is that Santander UK Plc should, as it has agreed, take the actions set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 February 2024.

Jane Archer
Ombudsman