

The complaint

Mrs W has complained about Santander UK Plc's ("Santander") requests for her to provide information and the subsequent closure of her account.

What happened

In late 2022 Mrs W received requests for her to provide documents so that Santander could adhere to its Know Your Client ("KYC") obligations. Mrs W says she provided Santander with the necessary information and was assured Santander had all the information it needed.

Mrs W says that she then received further requests for similar information – and eventually Santander applied blocks to her account. Mrs W says she initially was paid £30 by Santander to apologise for the error.

Mrs W raised a complaint, and Santander issued a final response letter on 28 November 2022, confirming that all blocks had now been removed and it paid Mrs W a further £100 to apologise for the errors made.

In early 2023, Mrs W received a letter informing her that Santander had decided it would close her account on 30 March 2023. Mrs W contacted Santander to understand why her account was being closed, and subsequently raised a complaint.

Santander issued a final response letter on 21 February 2023 and acknowledged that its decision to withdraw Mrs W's account was caused by an error. It confirmed that it won't be closing Mrs W's account. To apologise for the error, Santander paid Mrs W £150.

Despite the assurances that Mrs W's account wouldn't be closed, Santander closed Mrs W's account on 3 April 2023. This resulted in Mrs W not having access to her money and also resulted in her Direct Debits being cancelled too.

Mrs W complained to Santander and the account was reopened on 6 April 2023.

Santander issued a final response letter on 11 April 2023. Santander said that Mrs W's account had been reopened and the existing Direct Debits had been activated. Santander said that new debit cards had been ordered for Mrs W. To apologise for the error, Santander paid Mrs W a further £250.

Mrs W raised a further complaint, as the account closure led to her not receiving cash back on her account. Santander issued another final response letter on 6 June 2023, and paid Mrs W £6, which reflected the amounts of cashback that Mrs W had received in March and May 2023. It also paid a further £30 to apologise for the added inconvenience caused to Mrs W.

After Mrs W referred her complaint to the Financial Ombudsman Service, one of our investigators assessed the complaint. In summary the investigator felt that the total amount of compensation that Santander had paid to Mrs W for what had happened was fair and reasonable.

Mrs W disagreed, so the matter was referred for an ombudsman's decision.

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.

Having reviewed everything, I agree with the outcome reached by the investigator, for broadly the same reasons.

It's not in doubt that Santander made a number of errors when dealing with Mrs W's account – most of which seem to stem from Santander not recognising that Mrs W had complied with the KYC requests in late 2022. So, all that is left for me to consider is whether the redress already paid by Santander is fair and reasonable in the circumstances of this complaint.

In total, Santander has paid Mrs W £560 compensation, plus £6 in cash back. I have considered this award alongside everything that has happened and have carefully considered what Mrs W has said.

Mrs W says that Santander treated her with utter contempt and, despite raising a number of complaints, Mrs W says it only responded to one of them.

Firstly, I can certainly see why Mrs W has been exasperated with Santander and I have great deal of sympathy for the circumstances that Mrs W experienced. Santander got a number of things wrong – especially closing the account despite its prior assurances that it wouldn't – all of which seem to have been completely avoidable.

But I disagree with Mrs W's point that Santander has ignored her complaints and only dealt with one of them. Santander issued final response letters addressing her concerns on 28 November 2022, 21 February 2023, 11 April 2023 and 6 June 2023. And to be fair to Santander, it accepted it was at fault in each one and paid varying levels of compensation on each occasion, to apologise for its errors.

In terms of the amount of time that Mrs W's account was closed, which seems to have been the mistake with the greatest consequences to Mrs W, I note that it was closed on 3 April 2023 and took three days for it to be reopened. Although it was opened in a relatively short space of time, I recognise that it would've been distressing for Mrs W not to have access to her account in this time. Mrs W says that she had to borrow money to cover her outgoings, which resulted in her paying £75 and £50 in borrowing costs to two different lenders. Mrs W also says that she went without food in that time.

I recognise that having to take such measures would've been very distressing and inconvenient to Mrs W. But equally, the amounts of compensation that Santander has already paid to Mrs W exceed the costs she incurred to borrow money by a fair amount.

Mrs W says that although the account was reopened on 6 April 2023, as that was the day before the Easter weekend, she says she did not have access to her account until 11 April 2023. However, although the timing was clearly unfortunate, given that Mrs W was made aware her account had been reopened on the morning of 6 April 2023, I think she had a reasonable opportunity to access her money, if needed, on 6 April 2023. For example, although Mrs W says she had no money to pay for the bus or a taxi, and no insurance for her car, I'm sure she could've asked for friends or family to take her to her local branch. Or if that was not a viable option, alternatively, Mrs W could've arranged for a taxi to take her to the bank and she pay for the taxi once she'd withdrawn money.

Mrs W has said that she was unable to reinstate the Direct Debits until she received new debit cards – which she says she received on 17 April 2023. But Mrs W would've been able to set up Direct Debits without needing a new debit card and could've done so as soon as her account had been reopened. This is because she'd only need to provide her account details to the originator to do so. So, I can't say that the delay in the debit cards being reissued prevented her from reinstating any Direct Debits (that Santander had not already reinstated). And although Mrs W was initially provided with a cash card, rather than a debit card (which I understand were then sent to her a short time later), this would've still allowed Mrs W to access the money in her account.

Mrs W has also said that she was without the use of her car for a month due to the Direct Debit being cancelled. I recognise that she may not have been able to use her car in the time that the account was closed, and I have taken that into account when considering if the redress already paid to her is fair. But it's not clear why Mrs W was without the use of her car for so long. The account was only closed for a few days. And as mentioned above, Mrs W would've been able to reinstate any cancelled Direct Debits for payments such as car insurance, from 6 April 2023.

Taking everything into account, it's not in doubt that Santander got things wrong. And it's clear that Mrs W was impacted by its errors - whether that be inconvenience in speaking with Santander a number of times to get matters rectified, or more seriously, being without money for a few days and her Direct Debits being cancelled.

But overall, I think that the £560 in compensation that Santander has paid Mrs W in total, plus the £6 that Santander paid her for the cashback she missed out on, is fair and reasonable compensation in the circumstances.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 21 December 2023.

Thomas White
Ombudsman