

The complaint

Mr and Mrs S complain that Santander UK Plc has requested personal and confidential information from them concerning their joint account and threatened to close the account if this was not supplied. They further complained that Santander had lost their information and that it refused to communicate by letter, only over the phone.

What happened

In late 2022 Santander asked Mr and Mrs S to supply certain documents and information as part of its legal and regulatory obligation to ensure that the customer's details were accurate. It also needed to do a "soft search" with a credit reference agency, which wouldn't have affected Mr and Mrs S's credit score.

Mr and Mrs S supplied documents but were reluctant to answer certain questions. Mr S said he had been in touch with the Financial Conduct Authority (FCA) and had been advised that Santander had to consider the customer's interests when asking for information. He also said that Santander had lost their information.

Santander said it had to ask for the information to comply with its legal and regulatory obligations. It confirmed it hadn't lost any information.

Mr and Mrs S referred their complaint to the Financial Ombudsman Service, further complaining that Santander refused to communicate by letter, only over the phone.

Our Investigator said that Santander had asked the questions and requested the information to ensure it complied with its regulatory obligations. And its terms and conditions set out the information it required and the reasons for this.

Mr and Mrs S didn't agree and asked for the matter to be referred to an Ombudsman.

The matter has been passed to me for further consideration.

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.

First of all, Santander's general terms and conditions for banking and savings accounts make clear the sort of data that Santander might be asking for and its reasons for doing so. Section 1B (the data protection statement) sets this out in detail. Banks do have to comply with a strict regulatory regime to ensure that customers are protected from all types of fraud. Banks also have to carry out credit assessments on their customers from time to time. And the FCA rules set out banks' obligations in this respect.

But Santander can only comply with the regulations by asking for certain personal and private information. It is a matter for Santander what it needs to ask for – a customer can refuse to supply it but if they do, then Santander reserves the right to close the account. Equally Mr and Mrs S are free to switch their account to another provider.

Mr S has mentioned the FCA telling him that banks must consider customers' interests when requesting such information. I've seen no evidence that Mr and Mrs S's interests weren't considered here. Santander is required to keep all personal data confidential and not to release it except in the limited circumstances set out in the terms and conditions. It would still be subject to the Data Protection Act in any event.

I understand that Santander has confirmed it has not lost any of Mr and Mrs S's personal information.

I note Mr and Mrs S complained that Santander wouldn't communicate by letter, only over the phone. Unless a customer has any particular needs that prevent them from using a method of communication, which they notify to Santander, it was a matter for Santander how it proceeded. Though I note it did also write several letters to Mr and Mrs S.

So I think that Santander acted appropriately in asking for the documents and information from Mr and Mrs S. As I've said it is up to them if they wish to retain their account, but if they do they will still need to supply the required information. And there's no guarantee that other banks might not require similar information.

My final decision

I don't uphold the complaint.

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

Ray Lawley
Ombudsman