

The complaint

Mr N complains about the action Santander Bank plc took in relation to concerns it had about the legitimacy of a newly applied for credit card. He wants £500 compensation.

What happened

Both sides are familiar with the case, so I'll summarise things in brief.

In July 2023 Mr N applied for a Santander credit card. Santander initially accepted the application, but in January 2024 it contacted Mr N to say it would be closing the account. Santander also blocked access to other accounts Mr N held; and it reported him to Cifas over concerns of possible identity fraud.

Santander requested further information from Mr N and unblocked his accounts in early February 2024.

Mr N complained to Santander, and it upheld his complaint in part. Santander said it had removed all restrictions on Mr N's accounts; the referral to Cifas had been reversed; late payment fees refunded; and it would rectify Mr N's credit file.

Santander said it had taken too long to resolve matters. It apologised to Mr N and paid him £100 for the distress and inconvenience caused.

Mr N referred his complaint to the Financial Ombudsman. He was concerned that Santander had blocked his accounts and had reported him to Cifas without any prior warning or communication. And he said having his credit card accounts blocked and threatened with closure had caused him much distress and disruption.

Mr N wanted all his Santander accounts put back as they were originally. He also wanted an increased offer of compensation (£500) to take account of the distress and inconvenience caused and for the impact Santander's actions have had on his mental health.

One of our Investigators considered the complaint and partially upheld it. In short, she wasn't persuaded that Santander had taken reasonable steps before deciding that Mr N's credit card application wasn't genuine. Because of that, she asked Santander to increase its offer of compensation from £100 to £200.

Santander accepted our Investigator's opinion. Mr N didn't agree. He didn't accept the increased compensation of £200 – and said our Investigator hadn't considered all his complaint points.

I've been asked to review everything afresh and reach a final 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 done so, I've reached the same outcome as our Investigator – and for largely the same reasons. I realise this will be very disappointing for Mr N and I'd like to assure him I haven't taken this decision lightly.

In reviewing this complaint, I've very carefully considered all the evidence provided and I'd like to assure Mr N that if I don't mention a particular point, it's not because I haven't considered it, but I've focussed instead on what I believe to be important to the outcome of this complaint.

I should also add here that I'm aware Mr N has had a case resolved by the Financial Ombudsman in relation to a section 75 claim about a payment made prior to Mr N's credit card being blocked by Santander. And he has some concerns that Santander hasn't fully remedied that complaint; and says it is refusing to further engage with him. Mr N has raised those concerns with our Investigator here and is concerned that she hasn't addressed them.

I want to be clear with Mr N that my decision is *only* looking into the impact of Santander's actions in relation to the suspected fraudulent July 2023 credit card application. And I won't be commenting on the points he's made in relation to his section 75 complaint. I can see that our Investigator who worked on that complaint has put all of Mr N's further concerns to Santander for its comment.

Turning now to this complaint, I can appreciate Mr N's strength of feeling – and I don't underestimate the impact Santander's admitted shortcomings have had on him. But as I go on to explain, I think Santander has done enough to rectify that in the circumstances of this complaint.

I should firstly explain that it's not my role to punish a business for its shortcomings. And so, when considering what a business should do to put things right, I look at the direct impact those shortcomings have had on a customer.

Santander has accepted that things went wrong – primarily that it didn't follow due process in relation to the suspected fraudulent application; and that it took too long to resolve the matter. But Santander has, I believe, taken reasonable steps to put Mr N back in the position he would've been in had the situation not occurred. It's also apologised and agreed to pay him a total of £200.

In taking all of this into account, I consider the action Santander has taken (or will take if it's not already done so) in respect of Mr N's accounts and financial records to be fair. I also believe the additional £100 Santander has agreed to pay (£200 in total), to be reasonable, and in line with what I'd have awarded had Santander not agreed to this increased offer. So, I won't be asking it to do anything further in respect to this complaint.

My final decision

My final decision is that this complaint is upheld in part. Santander Bank plc should:

- Pay Mr N the additional £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision **before 12 June 2024**.

Anna Jackson
Ombudsman