

The complaint

Mr and Mrs P complain about how Santander UK Plc dealt with its Know Your Customer (KYC) process.

What happened

Mr and Mrs P complain that Santander blocked their account following its KYC process despite them providing it with required information. They say they were concerned about the origin of telephone calls to them and concerned about their account security. Mrs P says she lost about £165 in lost wages due to taking time off work to attend a branch and that Santander incorrectly recorded their residence location. Mr and Mrs P would like about £600 compensation.

Santander says it's obliged to follow its regulatory duties but accepts it made a mistake with the residence location. It's offered £150 compensation and says the block was lifted some five days after being applied in November 2022.

Mr and Mrs P brought their complaint to us, and our investigator recommended Santander increase its compensation offer to £200. The investigator accepted the KYC process can cause inconvenience and explained our role to them.

Mr and Mrs P say this issue took about nine weeks to resolve and question why Santander waited some four years to follow the KYC process.

Santander has agreed to pay £200 compensation.

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 think that Santander has fairly agreed to pay £200 compensation which I think is appropriate for what took place. I appreciate Mr and Mrs P will be disappointed by my decision and confirm I have read all of their detailed submissions about what took place, which do not need repeating in this decision as the points are well known. I also make clear to the parties that we are not Santander's regulator and it's not our role to punish it or direct it about how it operates its KYC policy. I say that as I can see Mrs P questions the timescale of Santander's information request.

I appreciate Mr and Mrs P's concern about their account security and their concern about the identity of the makers of telephone calls to them. I also accept the nature of KYC requests inevitably means that personal information is potentially provided. So, I understand Mr and Mrs P's reluctance to initially provide information but of course also accept that Santander is under a duty to make such requests. It follows that I can't fairly conclude either side made a mistake in a general respect and understand both sides view.

I'm satisfied that the KYC process inevitably involves a level of inconvenience in providing

information. I can't in those circumstances fairly direct Santander pay for Mrs P's loss of wages for example. But I accept that Santander did make mistakes in incorrectly recording the residence details and could have handled parts of this complaint more appropriately.

The only real issue for me to consider is the compensation level. I have made clear that some inconvenience is inevitable in these circumstances and think such KYC requests take some time to sort out. I don't think what took place justifies £600 compensation as Mr and Mrs P would like and think the block was lifted within a few days of being applied. I can't fairly conclude the block was incorrectly applied when it clear there are different views on the compliance with the KYC process.

I accept Mr and Mrs P will have ongoing concerns about what took place and will have unanswered questions that this service simply can't answer. But overall, I think that £200 compensation is fair and reasonable.

Putting things right

Santander should pay the £200 compensation if Mr and Mrs P accept this decision.

My final decision

My final decision is that I uphold this complaint in part and order Santander UK Plc pay Mr and Mrs P £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 5 August 2023.

David Singh
Ombudsman