

The complaint

Mr I complains Santander UK Plc ("Santander") restricted and closed his account without explanation.

To put things right, Mr I wants compensation for the significant distress and inconvenience he says he's suffered. And he wants his account re-opened.

What happened

In May 2022, following a review, Santander blocked Mr I's account. Mr I says he had to make many calls over the course of a week before he learnt what had happened to his account.

Mr I says his account was the only account he had at the time, and it serviced all his essential bills and mortgage. He was also paid his salary into it. Mr I says not having any access caused him substantive distress and inconvenience – especially as his regular payments weren't being made.

In June 2022, Santander informed Mr I it was closing his account with immediate effect in line with the terms and conditions of the account. Santander also informed Mr I it would send him a cheque for the closing balance. Mr I says he got this around a week later, but he had to wait until he opened a new account to deposit it.

Unhappy with Santander's actions, Mr I complained. Santander sent Mr I a final response, and in summary, it said:

- It understands the block is causing Mr I inconvenience, but it does not have control over this. Santander cannot allow transactions to take place at that time and it can't provide an explanation

Mr I referred his complaint to this service. One of our Investigator's then looked into it. In summary, they found:

- Santander acted in line with its obligations and acted fairly when blocking and then closing Mr I's account
- In terms of his regular payments, Mr I account was running normally. And as Santander was within its rights to restrict and close his account, it makes no award for any impact its actions had
- Santander has shown it sent Mr I notice it was closing his account

Mr I did not agree with what our Investigator said. He emphasised that by being sent a cheque when he didn't have another account was unreasonable, and for having to re-organise his regular outgoing payments in this way was incredibly distressing and inconvenient.

As Mr I didn't agree, his complaint has now been passed to me to decide.

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 decided not to uphold this complaint. I know this will disappoint Mr I, so I'll explain why.

Banks in the UK, like Santander, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Santander has explained, and sent me information, to show why it decided to review and block Mr I's account. Having closely reviewed this, I'm satisfied Santander acted in line with its obligations.

I can understand why Mr I would like an explanation. But I'm not aware of any obligation under which Santander must do so.

Santander is entitled to close an account just as a customer may close an account with it. But before Santander closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which Santander and Mr I had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Having looked at the information given to me by Santander, I'm satisfied it was entitled to close the account in the way that it has done. I'm also persuaded this was done so in line with the terms of the account, and that Santander's concerns were sufficient for it to take the more drastic action of immediate closure.

Mr I says Santander's actions have caused him significant trouble and upset. I do appreciate this matter would've caused him a lot of difficulty – and I accept at face value how this substantively impacted him in the way he describes.

But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Santander given that I don't think it failed to properly follow its own procedures when it restricted and closed Mr I's account.

So I'm not going to ask Santander to compensate Mr I for any distress and inconvenience its actions have caused him.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 8 December 2023.

Ketan Nagla
Ombudsman