

## **The complaint**

Mr J and Miss O complain that Santander UK Plc unfairly closed their joint account.

## **What happened**

Mr J and Miss O had a number of accounts with Santander. These included a business account, personal accounts, and joint accounts.

I am aware that Mr J and Miss O have raised complaints with this service regarding all of the accounts they held with Santander. This decision will focus on Mr J's and Miss O's complaint regarding their joint personal account (ending 7146). However, I have included a summary of events relating to Mr J's and Miss O's business accounts as they are relevant to this complaint.

In February 2022, Santander decided to review Mr J and Miss O's business account as part of its Know Your Business (KYB) process. Santander wrote to Mr J via email on 17 February 2022, asking him to provide specific information about his business, including invoices relating to specific payments, the business model and source of stock.

Believing this to be a scam, Mr J didn't respond to this request. So, on 5 April 2022, Santander called Mr J. During the call Santander referenced the email and explained that it still needed Mr J to provide the information. And set out why it needed the information it had requested. The advisor warned Mr J that if he didn't provide the information the bank may restrict all his accounts and close them.

Mr J told the advisor that he hadn't responded to the bank's information request because he wasn't very good using computers so wasn't able to upload the information the bank had asked for via its online portal. He said he was very busy and if the bank needed the information, they'd have to visit him at his home to get it or contact his accountant.

As an alternative, Santander said Mr J could take the information into a branch. But Mr J said he was far too busy to do this. During the call, Mr J became uncomfortable that he wasn't speaking to a genuine member of Santander staff, as he heard a dog bark in the background, he felt the call was a scam. So, he said he wasn't happy to provide any further information to the questions he was being asked by the advisor. Prior to ending the call, the advisor gave Mr J a contact number, which could be found and verified on the bank's website, that he could call to check that everything was above board.

Santander didn't get the information it had requested, so on 26 May 2022, it sent Mr J a chaser email asking him to provide the information it needed to complete its KYB process. In response to the email, on 27 May 2022, Mr J rang Santander and said if the bank needed the information it would have to visit him at his home to get it. Santander said it would look into if there were any other ways for Mr J to provide the information. On 6 June 2022, the bank called Mr J and left him a voicemail to let him know that the only alternative as for him to take the information into a branch. However, Mr J didn't provide the information.

Following this, Santander closed all of Mr J's and Miss O's accounts. The bank wrote to them on 27 July 2022, giving them two months' notice that they'd need to make alternative

banking arrangements. Mr J complained to Santander. In response the bank said it regularly reviews its accounts and hadn't done anything wrong when it closed Mr J's and Miss O's account.

Mr J and Miss O brought their complaint to our service where one of our investigator's looked into what had happened. Mr J said that he had been caused stress and anxiety as a result of Santander closing his account. And that he and Miss O had spent hours trying sort out another bank account. After reviewing everything the investigator said that Santander hadn't done anything wrong when it had closed Mr J's and Miss O's joint account.

Mr J disagreed. He said that he has always operated his accounts properly, that Santander behaviour is draconian, and everyone is entitled to a bank account. He said that Santander had no reason to close his accounts and feels that our organisation is working hand in hand with the banks to prevent the rights of people to have a bank account

As no agreement could be reached the matter has come 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.

Firstly, in response to the investigators view, Mr J has said he is concerned that this service is working hand in hand - with the implication being that the bank is influencing our conclusions inappropriately. Whilst I do recognise his concern, as an ombudsman service our approach is to consider what both parties say and then reach our own independent conclusions on that evidence. That is what we have done in this complaint. If Mr J does not agree with our view, he does not have to accept it, and if he does not accept this final decision, he will be free to continue to pursue his concerns by other means should he wish to do so. I cannot, however, advise him on how to go about doing that.

I'll start by setting out some context for Santander's review of Mr J's and Miss O's accounts. Santander has extensive legal and regulatory responsibilities they must meet when providing account services to customers. Banks in the UK are also required by law to comply with Know Your Customer (KYC) requirements. In order to fulfil these obligations, they may need to review activity taking place on accounts and ask customers for information to establish the purpose and nature of a business as well as the origin of funds – it's entitled and obliged to carry out such checks. This applies to both new and existing customers regardless of how many years a customer may have banked with Santander. The terms of Mr J's and Miss O's account also permit Santander to review an account and ask them for information.

The information Santander asked Mr J to provide is fairly standard information that banks, and other financial businesses are required to have in order to adhere to the Know Your Customer (KYC) responsibilities (also known as Customer Due Diligence or CDD and Know Your Business KYB), as set out by the regulator - the Financial Conduct Authority. So, in the circumstances, given that Santander needed the information to comply with its regulatory obligations, I don't think Santander's requests for Mr J to provide up-to-date information about his business, and the nature of his business is unfair or unreasonable. I understand that Mr J questions why Santander is asking for this information now, when he has been a customer of the bank for a number of years. But, as Santander explained, the KYB responsibilities place an on-going obligation on banks and other financial businesses to ensure they have up-to-date information about their customers. As such, it is not unusual for a financial business to ask for such information periodically, even if the account holder has been a customer for some time. And this is the case especially if the information being asked for was not recorded (for whatever reason) at the time an account was opened.

I can see that Santander initially asked Mr J for information in February 2022. It followed up this request in April 2022 in a phone call and sent a chaser mail to him in May 2022. It also explained to him in June 2022, that he could take the information to a local branch. Santander told Mr J if he failed to do so it may close all his accounts.

As I've said above Santander are obliged under regulation to carry out ongoing KYC checks to protect accounts from identify theft, fraud, and financial crime. So, if they don't receive the necessary information that they request to allay those risks, I do not consider closing an account is a disproportionate measure for Santander to take. I realise this will be disappointing to Mr J and Miss O, but I'm satisfied that Mr J been provided with a number of opportunities by Santander to provide the information it needed. And he failed to do so.

The terms and conditions of Mr J's and Miss O's account also outline that the bank can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. In this case Santander closed Mr J's account with notice. So, I'm satisfied that the bank has applied the terms fairly. And it was entitled to close the account as it's already done. So, when I weigh everything up, I don't believe Santander acted inappropriately and treated Mr J and Miss O unfairly in taking the actions it did when it closed their account.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask to accept or reject my decision before 20 October 2023.

Sharon Kerrison  
**Ombudsman**