

The complaint

Mr T and Miss T complain that Santander UK Plc unfairly closed their account.

What happened

I am aware that Mr T and Miss T had several accounts with Santander and have raised complaints with this service about the closure of them. This decision will deal with the closure of Mr T's and Miss T's joint account. Their complaints regarding their other accounts will be addressed separately.

Mr T and Miss T had a joint account. In November 2022, following a review Santander decided to close the account. Santander wrote to Mr T and Miss T giving them two months' notice that they needed to make alternative banking arrangements.

Mr T complained to Santander about the closure of the account and asked Santander to explain why it no longer wanted him and Miss T as customers. Mr T said he suspected Santander's decision was based on out of date information about him in the media and because he had a previous conviction. In response, Santander didn't provide Mr T with much information. The bank said it hadn't done anything wrong and had acted in line with the terms of the account and relevant regulations when it had closed Mr T's and Miss T's account.

Mr T wasn't happy with the bank's response and brought the complaint to this service. He said Santander had treated him unfairly based on what had happened many years ago. He said Santander's actions had caused him a great deal of trouble and upset and impacted his business. He explained that both he and Miss T had to go to the trouble of opening new accounts and reorganising their finances including moving lots of direct debits, which was time consuming and inconvenient. Overall, Mr T has said that the whole experience took a real toll on both his and Miss T's mental and financial well-being.

One of our investigators reviewed the complaint. She said that Santander hadn't done anything wrong when it had closed Mr T's and Miss T's account and had closed it in line with the terms and conditions of the account. Mr T disagreed. He said Santander has broken the law because it closed his bank account based on old information and a spent conviction.

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.

I can see Mr T feels very strongly about his complaint. That's clear from what's he's said to us and to Santander. Whilst I appreciate Mr T's frustration and how this matter has impacted

him and Miss T, it's important to point out that the only thing in question here is whether Santander has done what it should have done. And I think it has. I'll explain why.

Santander are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

Having looked at all the evidence and information, I'm satisfied that Santander were complying with their legal and regulatory obligations when they reviewed Mr T's and Miss T's account. So, I can't fairly say they've done anything wrong.

Santander is entitled to close an account with Mr T and Miss T just as they are entitled to close their account with Santander. But before Santander closes an account, they must do so in way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that Santander could close the account by giving at least two months' notice. Santander has done this, so I'm satisfied that they have complied with this part.

I've then gone on to consider whether Santander's reason for closing the account was fair. In doing so, I appreciate that Santander are entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Santander should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

I've considered carefully what Mr T has said regarding his conviction and the Rehabilitation of Offenders' act 1974. Mr T has explained that he got mixed up in something more than a decade ago and received a suspended prison sentence as a result. He's also said that the matter was reported in the media at the time. Mr T says it would be a breach of the Rehabilitation of Offenders Act 1974 if Santander's decision was based on his previous conviction. He says it would also be unfair to base its decision to close the account on out of date news stories.

I want to address Mr T's comments about Santander breaking the law in relation to the Rehabilitation of Offenders Act 1974. As I've already set out above our service is an informal alternative to the courts. And I can't make a finding as to whether the law has been broken, and I don't need to in order to decide this complaint.

After considering all the available evidence and information I haven't seen evidence to show Santander's decision breached the Rehabilitation of Offenders Act 1974 or that Santander reviewed and closed Mr T and Miss T's account for an improper reason. There's nothing that I've seen, that suggests it amounted to anything other than a legitimate exercise of its discretion. It follows then that I've not seen any evidence that would lead me to conclude Santander treated Mr T differently because of his previous conviction or adverse media. The reason Santander gave for closing the account is that it was outside the bank's risk appetite. That in turn means it can choose who it has a customer relationship with. This is a decision that I can't interfere with as it is a commercial business decision.

I understand of course why Mr T wants to know the exact reasons behind Santander's decision, other than what he's been previously been told. And I can see that Mr T has asked Santander to explain itself on several occasions. But Santander doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr T the reasons behind the account review and closure, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr T this information. And it wouldn't be appropriate for me to require it to do so.

In summary, I understand Mr T and Miss T will be unhappy with my decision but ultimately Santander is entitled to set its own risk appetite. Having reviewed all the evidence and circumstances of this complaint, I'm satisfied that Santander has acted in line with the terms and conditions of the account and as such I can't conclude that it has treated Mr T and Miss T unfairly when it closed their account. So, I won't be asking Santander to do anything more to resolve Mr T's and Miss T's complaint.

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 Mr T and Miss T to accept or reject my decision before 9 January 2024.

Sharon Kerrison
Ombudsman