

The complaint

Mr N has complained that Santander UK Plc blocked payments he had requested to be made from his current account. He has said that the payments were blocked in error by the bank.

What happened

On 1 January Mr N made a number of payments from his account. Of those, two were flagged by Santander for additional security checks, resulting in it contacting Mr N over the phone to ensure the payments were valid. Once Mr N had confirmed that the payments were genuine, Santander removed the block on them, and I understand that it arranged for the payments to be made on 1 January.

Mr N complained to Santander about the blocking of these payments. He suggested that this may have been carried out by a member of staff deliberately. He also stated that the blocks had denied him access to his account, preventing him paying money that was due and resulting in him being charged interest.

Santander responded that the blocking of the payments was not the result of a mistake on its part. It explained that it has automated systems in place to prevent fraudulent transactions. Santander stated that it was not its intention to cause unnecessary distress to Mr N, but it was obliged to ensure his funds are safeguarded. This was why the payments were referred for additional checks.

Unhappy with Santander's response, Mr N brought a complaint to this service. He said that there had been no fraudulent transactions on his account, and in his view Santander's automated system was at fault in flagging these particular payments as needing further checks. Mr N said that Santander had failed to identify why his genuine payments were suspicious, and that it was not in his best interests to be denied access to his own money. He stated Santander's security team is not available 24 hours of the day, meaning he had lost access to his account for over a day, and he had had to ring the bank on multiple occasions. Mr N commented that Santander's actions had caused him financial loss, together with anxiety.

After referring his complaint to us, on 1 February Mr N contacted to say that his account had been blocked by Santander again, and that he had been asked to go to a branch to prove transactions had been requested by him. On 2 February Santander texted Mr N to say that the requested payment had now been processed, and that there were no blocks on his account. Mr N suggested that a "*rogue employee*" of Santander might have caused these events to happen.

With regard to this more recent incident, Santander responded to say that Mr N had made multiple payments on the same day, some of which were high value, and this had resulted in it making further checks to ensure these were genuine requests. It stated that these types of payment requests can flag on its systems as looking suspicious, and this is designed to protect both the bank and customer, rather than to cause inconvenience.

In early March, Mr N told this service that his account had been blocked again.

Our investigator did not uphold this complaint. She appreciated why Mr N was frustrated that some genuine transactions had been picked up for further investigation by Santander's fraud detection system, but she considered the bank was acting in line with its policies, and attempting to protect both itself and Mr N.

Mr N disagreed with the investigator's findings. He stated that Santander had not adequately explained the reasoning for its fraud detection systems picking up the particular transactions that it had. Mr N asked what procedures Santander was using that resulted in these transactions being flagged. He commented that he knows all the activity taking place in his account is legitimate, and he has been transparent and cooperative with Santander when it has asked him questions about the payments so that it can be reassured these are genuine. Mr N stated that he had proved there is no reason for Santander to decline any transactions he requests.

Mr N suggested that Santander's automated systems can make mistakes, or that human error might be incorrectly flagging certain transactions he has requested. He said that the investigator had not asked Santander for relevant information to show that its fraud detection systems are not faulty.

This complaint was passed to me for review. I asked Santander to clarify the procedures which were followed when Mr N's transactions were blocked. In response it reiterated that payment blocks occurred when a large number of high value transactions were requested in a short period of time. Santander commented that this type of activity is similar to how a fraudster might operate, and so it flags transactions for further checks. By sending a text to Mr N to check the transactions were genuine, and with Mr N responding promptly, this ensured the block was removed quickly. Santander highlighted that the block on the transactions made on 1 January was removed just over half an hour after it had been put in place.

Santander stated that when transactions are flagged, it's the result of an automated system, and is not the result of an employee reviewing the account. By using an automated system to monitor transactions, Santander stated it's ensuring that it's being vigilant, in an effort to prevent customers losing money to scams.

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.

It is clear that Mr N has suffered frustration as a result of several transactions being blocked by Santander over the course of several months. What I need to determine is whether Santander has acted within the terms of the bank account when blocking certain payments, and also whether I consider the bank has acted fairly.

The account terms state that Santander can refuse a payment instruction if it reasonably suspects it relates to fraud. Where transactions are being processed as faster payments, which I understand was the case for Mr N, the terms state that *"(t)here may be a delay in processing the payment while fraud prevention checks take place. We may need to contact you if we suspect that a payment is fraudulent"*. It states this may be by phone, and I understand in Mr N's case, he was contacted both by text message and with phone calls.

The account terms also state that Santander's fraud detection systems can highlight unusual spending patterns. If this occurs, the bank may call, write to or text the account holder if it

believes the account is at risk of a “*security threat*”. On balance, my view is that the terms of Mr N’s account permit Santander to block payments when it has suspicions that these may not be genuine.

Mr N has questioned the reasoning behind Santander blocking certain transactions. Santander has responded that on the occasions when the transactions have been blocked, this was the result of a number of high value payments being requested on the same day. It considers such activity to justify further investigations for security reasons. Mr N does not consider that Santander has given sufficient explanation about the reasons for blocking his payments. Although I note his comments, my view is that Santander has adequately clarified why some of the payments made on these specific dates were blocked.

Mr N has suggested that human intervention and error may have caused his payments to be stopped. Santander has stated that the blocks are being flagged by its automated systems, rather than by an employee. On the weight of evidence provided, I consider it is the case that the blocked payments were the result of the actions of automated systems, rather than the result of any human intervention. I am not persuaded that an employee is the cause of the stopped payments.

Mr N has stated that the bank’s security team is not available 24 hours of the day, and that this has caused him to lose access to his account for more than a day. But based on the submissions provided, it seems to me that once Mr N contacted Santander to confirm that each payment was genuine, the bank acted promptly to lift the blocks in place.

Santander has also explained that its actions when stopping the payments are to protect both the bank and Mr N. I acknowledge that Mr N has felt inconvenienced when Santander has blocked payments, and that this has now happened on several occasions. However, overall I consider Santander’s actions are permitted by the policy terms, and are a reasonable way in which to reduce the risk of Mr N falling victim to fraudulent activity on his account. Although I appreciate Mr N will be disappointed with my findings, my conclusions are that Santander has acted fairly in this matter.

My final decision

My final decision is that I do not uphold this complaint, and I make no award.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr N to accept or reject my decision before 31 August 2023.

John Swain

Ombudsman