

The complaint

Mr F complains that Santander UK Plc closed his bank account and provided him with poor customer service.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr F had a basic bank account with Santander.

In November 2022, Santander blocked and reviewed Mr F's account. Following the review, in December 2022, Santander decided to close Mr F's account immediately and sent him a cheque for his closing balance.

Mr F wasn't happy about his account being closed and from being stopped from accessing the money in his account. So, he visited a Santander branch and complained about what was happening to his account. Mr F says when he did staff were rude and unhelpful. He said he wasn't given much information. Mr F says Santander's actions made him feel depressed and he had to borrow money from friends because he couldn't access the money in his account because Santander had blocked it. He wants Santander to reopen his account, tell him why it closed his account and pay him compensation for the trouble and upset he was caused.

In response, Santander said it hadn't done anything wrong and had closed Mr F's account in line with the terms and conditions of his account. It also said that when Mr F had visited a branch, he was rude and abusive which had led to staff calling police.

Mr F brought his complaint to our service where one of our investigators looked into what had happened. After looking at everything, she said that Santander should have given Mr F more notice when it closed his account. So, she said Santander should pay Mr F £250 compensation for the trouble and upset closing the account immediately had caused him. She didn't think Santander had provided Mr F with poor service and had completed its review without any delays. Mr F agreed. Santander disagreed and provided more information.

Following this, the investigator had another look at Mr F's complaint. After reviewing everything she said Santander hadn't done anything wrong when it had closed Mr F's account without notice. So, she didn't think Santander needed to do anything.

Mr F disagreed. He maintains that Santander treated him unfairly when it closed his account. He explained he doesn't think he's done anything wrong and wants the bank to provide a proper explanation why it closed his account. He told the investigator that he has since managed to open another account, but it has expensive account fees, so he wants Santander to reopen his 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.

I appreciate Mr F was disappointed by the investigator's opinion and I can see that he has provided a detailed response to what she said about his complaint. I'd like to reassure Mr F that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Santander has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr F, but I'd like to reassure him that I have considered everything that he's told us.

I'll start by setting out some context for why Santander reviewed Mr F's account. Santander are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. They're also required to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review. The terms of the account also permit Santander to block an account. This means Santander is entitled to block and review an account at any time.

Having looked at all the evidence, including how Mr F was using his account, I don't believe it was unreasonable in the circumstances for Santander to block Mr F's account. Santander has explained that this was its standard procedure, and I accept that it was. I'm satisfied that in doing so Santander were complying with its legal and regulatory obligations. So, whilst I accept, the bank's actions caused Mr F inconvenience and upset when it blocked his account, I can't say the bank did anything wrong and treated him unfairly in doing so.

I understand of course why Mr F wants to know the exact reasons behind Santander's actions. And I can see that Mr F went into a branch and asked Santander to explain itself on more than one occasion. But Santander doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr F the reasons behind the account review and block, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr F this information. And it wouldn't be appropriate for me to require it to do so.

I've next gone on to consider whether Santander acted fairly when it closed Mr F's account. Mr F had a basic bank account with Santander. These types of current account are intended for people who don't have and don't qualify for standard current accounts. In order to be eligible for a payment account with basic features an individual shouldn't hold a payment account with any United Kingdom credit institution that has at least the features of a basic bank account. I'm satisfied that Mr F was eligible to open the account when he did as he had no other bank accounts at the time.

Santander is entitled to close an account just as a customer may close an account with it. But it must do so in line with the terms and conditions of the account. The terms and

conditions of Mr F's account, which Santander and Mr F had to comply with, say that it could close the account by giving him at least two months' notice. In certain circumstances Santander can also close the account immediately, which is what happened here.

When closing a basic account, along with the terms and conditions of the account, Santander also had to consider the provisions of the Payment Accounts Regulations Act 2015 (PAR's 2015). Amongst other things they set out when an account provider can close a basic bank account. Closure is only permitted in certain circumstances – one of them involves the conduct of the account and the way it is being run. The regulations also go on to say that depending on the circumstances a bank isn't obliged to tell a customer why the account has been closed.

Santander has provided this service with information about why it decided to close Mr F's basic bank account immediately. On balance when considering all the information available to me, which includes how Mr F was using his account, I find Santander had a legitimate basis for closing Mr F's account immediately and not tell him why. So, I don't find Santander treated Mr F unfairly when it closed his account, and I won't be asking the bank to reopen Mr F's account (even if he was eligible to do so) which he now isn't as he has since opened another bank account which offers him the same services as a basic bank account.

Finally, Mr F says Santander provided him with poor service during the time his account was blocked. And when he tried to get his closing balance. He has said that staff were rude to him, didn't give him any information and didn't let him have the money in his account quickly enough. Firstly, I'm satisfied that Santander didn't cause any undue delays in releasing Mr F's closing balance to him. I note too that Santander told Mr F he could have access to any wages or benefits paid into his account whilst its review was ongoing. So, I don't agree Mr F wasn't allowed access to his funds.

I've also not seen any evidence that Santander were rude or unhelpful to Mr F – based on the evidence I've seen I'm not persuaded that Santander provided Mr F with poor service or that the staff involved were rude or sought to upset Mr F in anyway. I am also satisfied from looking at the contact notes that Santander provided as much information as possible about what it was doing each time Mr F went into a branch.

In summary, I realise Mr F will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't conclude that Santander have treated Mr F unfairly when it blocked and closed his account, So, I won't be telling Santander to do anything to resolve Mr F'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 F to accept or reject my decision before 8 January 2024.

Sharon Kerrison
Ombudsman