

## **The complaint**

Miss T complains that Santander UK Plc blocked and closed her account.

Miss T is represented by Mr D.

## **What happened**

Miss T had a mini current account with Santander, which was opened in December 2021. Miss T used her account to receive money from her parents and everyday spending. Since opening the account, it had an average balance of less than £100.

On 2 July 2022, a credit of £10,000 was paid into Miss T's account. The money was sent by Mr D. Following this, Santander decided to review how Miss T was operating her account. Whilst it completed its review Santander blocked Miss T's account. This meant Miss T couldn't access the £10,000 that had been paid into her account.

Miss T discovered that her account was blocked when she tried to transfer some of the money in her account to her father on 3 July 2022. So, she called Santander to try and find out whether there was a problem with her account. Santander explained to Miss T that it had blocked her account due to the unusually large payment that had been paid into her account. And it asked her to explain why she'd received the money. Miss T told Santander that the money had been given to her by Mr D, as a present, for no particular reason. And that Mr D was a close family friend. Santander told Mr T that she'd need to provide it with some information about where the money had come from to show that she was entitled to the money, such as a bank statement from Mr D.

On 4 July 2022, Miss T rang Santander again. During the call she said that Mr D was her godfather and had given her the £10,000 as an act of kindness. She said that she would contact Mr D and get the information from him to give to the bank. The following day Miss T provided an email to Santander from Mr D which said he'd given the money to Miss T as a gift and had done so because he was worried about his health. So wanted to make the payment to her before he died. Miss T also provided a payment slip from Mr D's bank, showing the transaction from his account to Miss T's account. Santander said that the information Miss T had provided wasn't enough and asked her to provide Mr D's bank statement. Santander also explained that Miss T's account would remain blocked.

Following this Miss T went into Santander with her parents to explain that Mr D wasn't happy to provide his bank statement as he was worried about his personal information being compromised. However, a few days later, Mr D provided his statements to Miss T who sent them to Santander. Santander noticed that there were some discrepancies between the email from Mr D and the statements, so it reached out to Mr D's bank to provide it with information about the £10,000 payment Mr D had made to Miss T.

In response, Mr D's bank told Santander that it had tried to contact Mr D and was waiting for him to get in touch so that it could ask him about the payment. Following this Santander sent Mr D's bank numerous chasers between July and September 2022. Santander didn't get a response from the sending bank. Santander explained to Miss T that it was having difficulty

getting Mr D's bank to speak to them. And asked her to get Mr D to prompt his bank to respond.

In the meantime, Santander decided to close Miss T's account and gave her 30 days' notice that she needed to find another bank account. In November 2022, Santander said it was happy to release the £10,000 to Miss T, and after confirming Miss T's address sent her a cheque.

Mr D wasn't happy with Santander's actions. He complained to Santander and said the bank had treated him and Miss T appallingly. He said Santander sent the police to his address and accused him of money laundering. He explained that he's done nothing wrong and was entitled to give his money to Miss T. He says his character has been blemished and Santander shouldn't be allowed to do what it did. Santander said it hadn't done anything wrong. So, Mr D brought Miss T's complaint to our service where one of our investigator's looked into what had happened.

After reviewing all the information, the investigator didn't uphold Miss T's complaint. He thought the bank had acted fairly in not releasing the money and blocking her account. He did think that Santander should have allowed Miss T to use her account up until it closed but didn't think this had caused Miss T any detriment. Mr D on behalf of Miss T disagreed. He said our service is biased and that Santander had no right to accuse him of money laundering.

In response the investigator explained to Mr D that as he isn't a customer of Santander, we can't consider any impact Santander's action had on him. Mr D said he's been treated like a criminal by Santander and intends to take the bank to court. He asked for an ombudsman to look at Miss T's complaint.

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, I need to make it clear that I can only consider Miss T's complaint with Santander, not Mr D's. Whilst I understand Mr D's involvement in this matter – he gave Miss T the money and is also representing her in her complaint – he is not a customer of Santander. I can only look at whether Santander has treated Miss T fairly and reasonably. So, I won't be considering any impact Santander's actions may have had on Mr D.

In response to the investigator's view, Mr D has also said that our service is biased – with the implication being that the Santander 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 D on behalf of Miss T 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.

As the investigator explained, 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.

I've looked at the information that has been provided by the parties, Miss T's account was flagged for review and was restricted by Santander due a large payment coming into the account. From looking at how Miss T usually operated her account, this payment was out of character for its usual activity. Considering this and Miss T's age I don't think it was unreasonable for Santander to block Miss T's account. And ask her for information about the money in her account and where it came from – which they're entitled to do under their obligations and the terms of the account.

Having reviewed everything, I think Santander's requests were reasonable in the circumstances. Ultimately it is Santander who decide what information they do or do not require as part of a review and they have a duty to protect their customer's money and understand where it came from. Because of that, I can't say Santander treated Miss T unfairly or acted inappropriately when it blocked her account and asked her to provide information.

Miss T says Santander took too long to complete its review of the account. I do accept that it took around four months for Santander to agree to release the £10,000. But I don't consider that it would be right for me to conclude it shouldn't have taken in excess of any particular or specific timeframe. Because Santander was entitled – as a matter of principle – to do what it did in order to comply with its legal and regulatory obligations.

In reaching this conclusion, I'm satisfied that Santander didn't cause any unnecessary delays and were trying to complete its enquiries as quickly as possible. I can see that Santander repeatedly chased Mr D's bank to respond to its enquiries relating to the money that Miss T received. And it was Mr D's bank that failed to respond. So, it wouldn't be fair for me to hold Santander responsible for another bank's failings. I appreciate that Santander holding onto the £10,000 caused Miss T upset. It wouldn't, however, be appropriate to make an award for compensation for that since I don't believe that Santander acted inappropriately in taking the actions that it did.

I've considered whether Santander acted fairly in closing Miss T's account. I've looked at the terms and conditions of her account and I'm satisfied they did. It's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep customer or require it to compensate a customer who has had their account closed.

The terms and conditions 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 Miss T's account with notice – it gave her thirty days' notice to find another account. However, Miss T wasn't able to use her account from the date Santander blocked it. So, I consider Santander closed the account immediately. For Santander to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I would expect to see stronger evidence than it has provided. So like the investigator, I think Santander should have allowed Miss T access to her account during the notice period.

With this in mind, I've thought about the impact that Santander closing her account immediately had on Miss T. She hasn't explained that she suffered any detriment and I understand she hasn't had any trouble opening another account. She has also received her closing balance along with a cheque for the £10,000 which was paid into her account. In the

absence of any specific detriment, it wouldn't be fair for me to require Santander to pay Miss T compensation. So, it follows that I don't require Santander to do anything further to resolve 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 Miss T to accept or reject my decision before 20 November 2023.

Sharon Kerrison  
**Ombudsman**