

The complaint

Mr M complains that Santander UK Plc blocked his account and won't return money to him. He's also unhappy that Santander closed his account.

What happened

Mr M had a current account with Santander. In May 2021, a credit of around £13,000 was paid into Mr M's account. Following this, Santander decided to review how Mr M was operating his account. As part of its review Santander asked Mr M to provide them with information about the money which had been paid into his account. Whilst it completed its review Santander blocked Mr M's account. This meant Mr M couldn't access the money held in his account, which was just over £3,000.

Mr M told Santander that the money that had been paid into his account had meant to be paid into another account he held. And that he'd provided the wrong account details to the person who sent the money to him, who I will refer to as Ms A. Mr M said that he traded in cryptocurrency with Ms A, and he'd received the money in exchange for trades. He provided Santander with a copy of an account statement he held with another bank showing the money coming into the account from Ms A, and a print-out of Ms A's bank statement, which he said showed he was entitled to the money that had been paid into his account.

In response, Santander said it had contacted the sending bank and if it didn't get a response, it would go back to Mr M and ask him for more information. Despite sending chasers Santander didn't get a response from the sending bank. Santander reviewed all the information Mr M provided and what he'd said about the credit. But it wasn't happy with Mr M's explanation and said it wouldn't release the funds until Mr M could provide the bank with satisfactory proof of his entitlement to the money. Following this, Santander closed Mr M's account.

Mr M brought his complaint to our service where one of our investigator's looked into what had happened. The investigator asked Mr M to provide, copies of his communications with Ms A regarding the payment she made to him, such as a contract relating to the Cryptocurrency trades, or anything else that would show his entitlement to the money Santander were withholding. In response, Mr M said that he hadn't been able to contact Ms A as she'd changed her phone number, he'd lost his mobile phone and his other bank account had been shut down. So, he had nothing further to send.

Mr M then told the investigator that he hadn't been dealing with Ms A himself directly, and that all communications had been done via a friend. The investigator asked Mr M to contact his friend to see if he could get any more information about the transaction that would support his explanation. But Mr M didn't provide anything further.

After reviewing all the information, the investigator didn't uphold Mr M's complaint. She thought the bank had acted fairly in not releasing the money, blocking, and then closing his account. Mr M disagreed. He wants Santander to release the money to him.

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've first considered whether Santander acted fairly when it closed Mr M's account. Mr M has pointed out that the closure of his account has caused him a lot of problems and stress. I'm sorry that what's happened has caused Mr M trouble and upset. But 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.

I've considered whether Santander acted fairly in closing Mr M's account. I've looked at the terms and conditions of his account and I'm satisfied they did. 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 Mr M's account with notice. However, Mr M wasn't able to use his 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'm satisfied that the bank has applied the terms fairly. And it was entitled to close the account as it's already done.

release of funds

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mr M and Santander have said before reaching my decision.

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 M, but I'd like to reassure him that I have considered everything.

Santander are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. 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.

I've looked at the information that has been provided by the parties, Mr M's account was flagged for review and was restricted by Santander due a number of payments coming into the account. As part of their review, Santander asked Mr M for detailed information about the money in his 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 fairly conclude Santander acted inappropriately when it blocked Mr M's account and asked him to provide information.

I've thought about whether Santander acted fairly in not releasing the remaining funds to Mr M when it closed his account. Mr M says the money in his account belongs to him. I've looked at the information Mr M has provided and what he's said about the money. Santander asked Mr M what the credit that was paid into his account was for and he told the bank he'd been trading cryptocurrency with Ms A.

Santander asked for proof of this, and Mr M provided a picture of a screen shot of a bank account and a print-out of an account in Ms A's name. On contacting our service Mr M was asked for evidence surrounding the transaction he says he made with Ms A, including any contract and communications he had with Ms A. But Mr M said he'd provided all he could and after initially saying he would contact Ms A, said that he hadn't actually had any direct contact with Ms A. And that this had all been arranged through a friend. I find it surprising that if as Mr M has suggested that the money Santander are withholding is from a legitimate sale, Mr M hasn't been able to provide any evidence of how or why he received money from Ms A – such as any messages between him and Ms A, or any evidence that he'd sold Ms A cryptocurrency in exchange for the money that was deposited into his account.

I've also not seen any evidence that Mr M contacted or attempted to contact the person he says dealt with Ms A directly – I think this would've been a reasonable course of action to take especially if as Mr M has said the money Santander is withholding is legitimately his as he would've been out of pocket.

I realise this will be disappointing to Mr M, but I'm satisfied that he's been provided with a number of opportunities both by the bank and this service to demonstrate his entitlement to the outstanding funds. Having looked at the information Mr M has provided, and in the absence of further information, I'm not satisfied that this shows Mr M is entitled to the money which was paid into his account. So, I'm unable to conclude that Santander has acted unfairly in withholding the funds.

My final decision

For the reasons I've explained above, 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 M to accept or reject my decision before 4 September 2023.

Sharon Kerrison
Ombudsman