

The complaint

A company which I'll call C complains that Santander UK Plc behaved unreasonably when completing its banking checks.

The complaint is brought on C's behalf by one of its directors, Mr J.

What happened

C held a business current account with Santander. In May 2022, Santander asked C for identification documents and information about their business as it needed to complete its Know Your Customer (KYC) checks.

C told us:

- It provided the information Santander requested on several occasions (including taking the information to a local branch) and the bank accepted everything except their company charter, which had been certified by their accountant, who was also a member of their family.
- A representative had called the bank in May to ask if this was acceptable, and had been told it was fine, but C should note that its accountant was a relative.
- Mr J received an email from Santander on 11 July 2022 saying that the certified charter was required, however he thought this had crossed over with the phone call with the bank, so he didn't take any action.
- When its representative called the bank about the account restriction in July, the call handler had been unhelpful and provided poor customer service. C's directors also thought the bank had acted unfairly due to the information requested, as this was available on Companies House.

Santander told us:

- It requested KYC documents from C on 21 October 2021 as the information it held was out of date. The company responded shortly after however, it couldn't accept some of the document's C had provided.
- It contacted C a further four times before the deadline of 16 May, and when this wasn't received, it restricted the company's account on 19 July in line with the account terms and conditions.
- C contacted it on 19 July, and it removed the restriction on 27 July pending receipt of the requested information. It wasn't able to obtain the information required from Companies House as stated by C, as this needed to be independently verified.
- It had offered C £250 compensation for the inconvenience caused when the company had been given incorrect information over the phone in May. However, it

thought the call handler in July had given C correct information – although it acknowledged this could have been provided in a more empathetic way.

Our investigator thought Santander had made a mistake in giving C incorrect information initially about what it needed for its KYC check. However he thought that it was reasonable for Santander to restrict C's account when it didn't receive the information it required, and it had contacted C on several occasions to try and discuss this but hadn't received what was requested. So he thought the bank's offer of £250 compensation for the inconvenience caused was enough to put things right.

C didn't agree and said after the director had been given the incorrect information, they went on holiday, so the bank should have done more to assist them. They also said £250 didn't cover the costs C had incurred, so they asked for an ombudsman to review their complaint.

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.

Having done so, I think Santander's offer to put things right is fair. I'll explain why.

C's representatives say that Santander treated them unfairly when it restricted access to their account, but I don't agree. I can see that the bank requested documents from C on five occasions between October 2021 and May 2022 and that it didn't receive this in the required format. I recognise that C may have found it frustrating to provide information they believe was publicly available on Companies House. However, under Santander's legal and regulatory obligations, the bank is expected to hold accurate information about its customers. In this case, I can see that Santander told C that it was reviewing its customer information as part of its checks to ensure the details it held were up to date and that it needed independently verified documents to meet this requirement. So I think it was reasonable for Santander to request this information.

Furthermore, as the information that C provided wasn't suitable to meet Santander's requirements, I don't think it was unreasonable for it to restrict C's accounts. I say this because this was in line with the terms and conditions of C's account with the bank and I've seen that Santander wrote and explained to C on several occasions from October 2021 onwards to say if the correct information wasn't received within 60 days' the account would be restricted. However, despite all the banks requirement's not being met, it wasn't until 19 July that Santander actually restricted C's accounts, so I don't think the bank acted unfairly.

It's not disputed by either party that Santander gave Mr J incorrect information when he called it on 9 May. However, I've seen that the bank tried to contact C on several occasions by phone after this call had taken place in attempt to correct this error – including at times requested by Mr J. And whilst I acknowledge that Mr J says he thought the bank's first follow-up request for documentation on 12 May had crossed over with this call, I think it's reasonable to believe that after the subsequent contact from the bank was received, that C's directors ought to have been aware that they needed to either provide the updated documentation which was still outstanding on the customer portal or contact the bank to query why C was still receiving ongoing communication from the bank.

I acknowledge that Mr J says he was abroad after he'd had the call with the bank on 9 May so wasn't aware after this that there was an issue. However, given that C has other directors and contacts, I think it's reasonable to believe that one of them could have contacted the bank to query the correspondence and calls C was receiving about the account or take the call on 18 May as requested by Mr J. I think it's also worth noting here, that Mr J told us that

he did receive the contact from Santander but ignored this as he thought what he'd been told originally was correct. I've also seen that the bank removed the restriction on C's account quickly once the company contacted the bank to explain what had happened. So I can't reasonably say that Santander treated C unfairly here.

It's not for me to fine or punish a business for making a mistake, and I can see that Santander has apologised for giving Mr J incorrect information and for the tone of the subsequent call on 27 July and offered C £250 for the inconvenience caused. Given that I don't think Santander acted unreasonably in restricting C's account initially, I think it's done enough to put things right.

My final decision

Santander UK Plc has already made an offer to pay £250 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Santander UK Plc should pay £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 23 October 2023.

Jenny Lomax
Ombudsman