

The complaint

Mr D complains that Santander UK Plc placed a block in his current account, and returned two cheques when they were presented after the block had been placed.

What happened

In August 2022, Santander identified it was required to obtain additional information so that Mr D it could continue to operate his account. Santander says it attempted to contact Mr D several times but wasn't able to make contact with him until after his account had been blocked. Mr D did provide some information to Santander in late 2022, but this was in relation to another matter. When two cheques were presented to Mr D's account they weren't paid as the account was blocked. Mr D complained to Santander.

Santander explained it had tried to contact Mr D in August 2022, but when it was unsuccessful it wrote to Mr D in September to tell him the account would be blocked. Santander explained this is why the cheques hadn't been paid and told Mr D it still needed proof of his address and tax residency - and that it needed to speak with him to obtain other information before the block could be released. Santander provided Mr D with a contact number to call and apologised that when Mr D raised his concerns by telephone he'd been passed to several departments and had been cut-off. Santander credited Mr D's account with £25.

Mr D brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator said that because Financial Conduct Authority (FCA) regulations require Santander to regularly carry out checks and request information and documents from customers, and Mr D hadn't provided what Santander requested, it didn't do anything significantly wrong when it blocked the account. The Investigator thought that the apology and the £25 Santander had paid to Mr D for the poor service it provided when he tried to call it in January 2023 was a fair and reasonable remedy.

As Mr D didn't agree with the Investigator the complaint has been passed to me to consider.

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 understand Mr D will be disappointed, but for very much the same reasons as the Investigator, I've decided that the apology and £25 Santander has already provided to Mr D is a fair and reasonable remedy in the circumstances of this complaint. I will now explain why, and I will address some of Mr D's ongoing concerns.

Although Mr D has held accounts with Santander for a number of years he's only used his current account a few times over recent years, and he has lived outside of the UK for a number of years too. In 2018 the FCA told Santander – and other UK financial organisations - to conduct ongoing customer due diligence measures to maintain a relationship with a customer, including reviewing existing records to keep documents and information up to

date. As part of this process, Santander attempted to contact Mr D on the telephone numbers registered on his account. Santander has provided records that persuade me it made several attempts to call Mr D to obtain updated information, but these were unsuccessful as some numbers were invalid and Santander was unable to leave a message on Mr D's current mobile. Santander blocked the account after failing to contact Mr D.

Mr D is concerned that Santander didn't communicate with him through his on-line banking account, but Santander says it wouldn't do this because of security concerns, and that it tries to contact customers in case cases like this by telephone so that it can complete identification and verification. I don't think Santander's process here is an unreasonable one if it has concerns about the security on an account.

Later in 2022, when two cheques were presented to Mr D's account, they were returned unpaid because of the block on the account. Santander wrote to Mr D to tell him of this, but most likely caused some confusion by telling him he'd stopped the cheques. I don't think this was helpful. However, when Mr D called Santander to discuss what had happened, Mr D was told that Santander required the following from him to allow it to unblock the account:

- Proof of identity – passport or driving licence
- Proof of address/residency – in English
- Mr D to contact Santander on a specified number to answer a number of other questions

Mr D provided a valid passport, but this didn't show his current address as it was issued in the UK. Mr D also provided a copy of his visa and non-UK driving licence, but Santander couldn't accept this as it wasn't in English. I've not seen any evidence to persuade me Mr D contacted Santander on the telephone number it provided so that he could answer further questions before it could consider unblocking the account. I appreciate Mr D had issues with recording his non-UK postcode on the on-line link Santander provided at the time, but Santander had told Mr D to call a specific number as it required further information. Santander has confirmed this could have been fixed if Mr D had called the number provided, so I don't think the postcode matter is the reason why the accounts remained blocked.

The terms and conditions of Mr D's account make it clear that in respect of dormant accounts – where there have been no transactions in the last 12 months – Mr D would be required to present personal identification at a local branch. Or, Mr D could call the telephone number provided, which is the same of the number Santander provided to Mr D in the telephone call I've referred to earlier. The terms and conditions of the account also state that a customer must be permanently resident in the UK to use the account.

I've seen that Mr D provided some evidence to Santander in late 2022, but this related to his tax status, and I'm not persuaded this has anything to do with the initial blocking of the account two-months earlier. Regardless of this, Santander required more than just tax information from Mr D to unblock the account. The account was blocked because Mr D had used the account infrequently and Santander hadn't been able to contact him on the telephone numbers registered to his account.

Santander wrote to Mr D in April 2023 to tell him it intended to close his account in two months. Mr D says that he's provided the documents Santander requested and feels that leaving his account open when he uses it infrequently is futile. Santander has confirmed that because Mr D hasn't called the number it asked him to and provided all the documents it required, the account was closed in late July 2023. I can't tell Santander it should have unblocked the account - that is a matter for Santander to decide. However, it seems to me

that Santander took reasonable steps to tell Mr D what was required to unblock the account, and this was in line with the terms and conditions on the account.

Taking all of the above into account, it seems that Mr D believes he provided the documents to satisfy Santander of his identity and his address. However, although Mr D provided some documents, I've not seen that Mr D called Santander as it requested. Santander told Mr D he needed to do this in a telephone call in January 2023. The terms and conditions of the account explain that Santander can give 60-days' notice to Mr D of its intention to withdraw banking facilities in these circumstances. So, I don't think Santander did anything significantly wrong when it closed Mr D's account after it had provided a 60-notice in April 2023. Regardless of Mr D's failing to contact Santander by telephone the terms and conditions also explain the account couldn't be used if Mr D was permanently resident outside of the UK.

Although I appreciate Mr D's communications with Santander on the telephone in January 2023 were inconvenient, I'm satisfied that the apology Santander provided, along with a payment of £25, was fair and reasonable remedy in this respect. Mr D believes Santander should also compensate the payee of the cheques – a family member. However, in this case the family member isn't an eligible complainant, and I can only consider the impact of any poor service on an eligible complainant – in this case Mr D.

My final decision

I've decided that as Santander UK PLC has already paid Mr D £25 to settle the complaint, and I think this offer is fair in all the circumstances, I won't ask Santander UK PLC to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 21 September 2023.

Paul Lawton
Ombudsman