

## **The complaint**

Mr R has complained that Santander UK Plc ("Santander") chose to close his accounts, without explaining why that was.

Mr R is also unhappy with how he was treated during Santander's Know Your Customer ('KYC') process, which led up to the decision to close his accounts.

## **What happened**

One of our investigators assessed the complaint, and they concluded that the compensation Santander paid to Mr R for its handling of the KYC process was fair. He also thought that Santander's decision to close the account was fair and explained the reasons to Mr R why Santander had made that decision.

Mr R disagreed with the investigator's assessment, so the matter was referred for an ombudsman's decision.

## **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 reviewed everything, I don't uphold this complaint, broadly for the same reasons that the investigator gave. I will explain why.

### *Information being requested*

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for Santander to ask Mr R for the requested information.

The information Santander was asking Mr R to provide is fairly standard information that banks, and other financial businesses are required to have in order to adhere to the Know Your Customer (KYC) responsibilities (also known as Customer Due Diligence or CDD), as set out by the regulator - the Financial Conduct Authority. So, whilst I accept this caused Mr R inconvenience, I can't say Santander treated him unfairly when it asked (or at least attempted to ask) Mr R to provide the said information.

Mr R has explained that he received calls from Santander in October 2022 but was reluctant to provide personal information in case they were scam calls. I understand that Mr R called Santander back and provided information about his occupation and tax status and thought that was all the information that Santander wanted. Mr R says that when he spoke to members of staff at Santander, they seemed unsure whether he needed to provide further information. In response to Mr R's complaint, Santander issued a final response letter on 30 October 2022, and paid Mr R £150 to apologise for the service he'd received. In my view, I think this is reasonable compensation for the inconvenience caused to Mr R.

Following this, Santander still did not have the necessary information from Mr R to complete its KYC checks. As a result, Santander attempted to contact Mr R a number of times through

November 2022. This was so that it could request that he supply the necessary information. But Mr R chose not to engage Santander about its information requests any further.

### *Account closure*

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. As long as they reach their decisions about that in a legitimate manner, this service won't usually intervene.

In this case, Santander decided to close Mr R's account because it had not been able to obtain the necessary information it needed to complete its KYC checks. In the circumstances, I'm satisfied that Santander had reasonable grounds in which to close Mr R's account.

I note that Mr R says that Santander made the decision to close his account without giving reasons. Banks don't necessarily have to provide a reason to its customers if they decide to close a customer's account. But looking at the letters that were likely being sent to Mr R, I think they made it reasonably clear that his accounts were being closed because it still needed more information from Mr R to complete its KYC checks. So, I think it would've been apparent to Mr R, given that he chose to stop engaging with the further KYC requests, why Santander eventually decided to close his accounts.

When closing accounts, banks should however, give reasonable notice before closing an account. Usually, that means 60 days' notice, but it can be less – depending on the circumstances. In this case Santander informed Mr R on 5 May 2023 that it would be closing his accounts on 5 July 2023. Having looked at all the evidence, including the terms of the accounts, and relevant regulations, in my view that was reasonable. So, I can't say that Santander has treated Mr R unfairly when it was going through its account closure process. After all, Mr R has had plenty of time in which to engage with Santander to understand what specific additional information it needed, if he wished to keep his accounts with Santander open.

### *Consumer Duty*

Finally, Mr R has said that the FCA's Consumer Duty should apply to Santander's handling of this matter. I agree with the investigator's findings that the Consumer Duty doesn't apply in this case.

This is because the matters Mr R is complaining about – namely, Santander's KYC requests and the subsequent decision to close his accounts, the latter of which was made in May 2023 – all relate to matters that took place prior to 31 July 2023. As such, even if it's the case that Mr R's accounts may, for whatever reason, still be open, his complaint is still about events that occurred prior to when the Duty came into effect.

### **My final decision**

Because of the reasons given above, I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 29 December 2023.

Thomas White  
**Ombudsman**

