

The complaint

Mr and Ms S complain about Santander UK Plc's delay in closing their joint account and transferring the balance to another account. Mr and Ms S are also unhappy that Santander failed to contact them after Mr S's identification documents were received.

What happened

Santander blocked Mr and Ms S's joint bank account in May 2021 until evidence of identity was provided. Mr S provided ID card evidence to our service in August 2022, and we said that they needed to send this to Santander and provided a link to its change of address form. The form made clear that proof of address and ID evidence needed to be included.

Mr S sent a change of address form in October 2022, but no proof of address. We asked Santander to close the account as per Ms S's instructions, but in February 2023 Santander said it couldn't close the account as all the required change of address documents hadn't been sent. In April 2023, Mr S provided proof of address and the account was unblocked. Ms S moved the balance out of the account on 7 April 2023 and Santander closed the account on 14 April 2023. Ms S complained to Santander about the delay and the impact on them.

Ms S said that as she's not had the use of the funds in the account, she couldn't get her home into a habitable state following an insured event and has paid hotel costs of £2,700 per month, which Santander should reimburse. As Ms S was dissatisfied with Santander's response she referred her complaint to us. Our investigator recommended the complaint be upheld. She said Santander took too long and frustrated Mr and Ms S's attempts to unblock and close the account. She recommended that it pay them £150 compensation for the time they spent trying to clarify what information was required to unblock and close the account.

The investigator said that as Mr S was no longer at the address linked to the account, it was right that Santander asked for proof in line with its guidelines and on 28 September 2022 it said what was required. She said once we asked Santander to get in touch with Mr and Ms S it resolved the account closure and settlement from the previous complaint without delay. But, it hadn't proactively contacted Mr and Ms S to say what information was still required in order to unblock the account and Mr and Ms S spent time contacting us and Santander.

The investigator said Ms S provided her hotel booking for 29 April to 5 May 2023 but said the balance of the account was transferred to her on 7 April 2023, and there's no evidence that her home was uninhabitable. She said prior to the block in May 2021 it held £1 credit, followed by £400 monthly credits with Ms S's reference from 28 May 2021 to 28 June 2022. The investigator thought Mr and Ms S could've stopped these credits and paid this into another account if they needed to access the funds urgently to complete repairs to Ms S's house. And so she wasn't persuaded that Santander caused Ms S any financial loss.

Santander agreed with the investigator, but Ms S did not and requested an ombudsman review her complaint. She said the settlement for her previous complaint hasn't been paid and she didn't agree that £150 was fair. She said there was ongoing unfair conduct from Santander's staff, and it was made clear Mr S lived abroad and hers was a correspondence address. She said Santander purposely failed to contact them when all information was provided. She said her hotel costs should be reimbursed at least for the period they were failing to answer emails from mid-2022 to April 2023 when the joint account was unblocked.

Ms S said she had to write countless emails, and make calls, wasting her time and causing her agony. She said throughout this time her balance was around £4,000 to £5,000 which was needed on top of what she paid the hotel during repairs to her house after three fires in July 2021. But her account was blocked due to the failure of Santander's staff to contact Mr S in May 2021. She said this prevented her making up the shortfall on the total amount needed to repair her house, hence she was stuck at the hotel for longer. Ms S said she has receipts for hotel costs from mid-June 2022 until April 2023 for which she claimed losses.

Ms S said amounts sent to their account were by standing order, and had to continue without her knowing the matter would drag on and while she was too unwell to cancel the payment. She said this lasted until mid-2022 when she saw Santander's shocking conduct, and the lack of help from our service. She said the sum of about £5,000 was in the account for nearly a year preventing her from starting major repairs to make her home habitable.

Ms S said Santander is responsible for two years' delay during which time she asked what it needed and why the account was still closed, but it wouldn't make contact. Ms S said they provided all the information from day one, and its form was only for UK citizens and so wasn't for her father. Ms S said Santander could have contacted them about the reason for keeping account blocked. She described this as, 'the recurrent evil conduct of many of their staff members for which they deserve to pay the price'. She said there was nothing from Santander in April 2023 to say the account was unblocked; she just happened to notice this.

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 have looked at Santander's actions and communications with regard to the closure of Mr and Ms S's account and its communications and delays and the impact on Mr and Ms S. This is in line with our investigator's letter of 29 June 2023, in which she explained to Ms S that the current review relates to the issues raised after her previous complaint.

This means that I am not free to review Mr and Ms S's previous complaint as they agreed to the resolution of this, though I note Ms S's comment that she regrets this, and said the settlement hasn't been paid correctly. And so I haven't considered the contacts at the time the account was blocked or Santander's requirement for updated ID documents and proof of address for Mr S. I understand the settlement of £250 has been paid. I haven't considered Ms S's complaints about our service here as these have been addressed separately.

I'm pleased that Mr and Ms S's account was eventually unblocked, though Ms S said she discovered this by chance rather than was told by Santander. I have looked at the communications between the parties and its clear this has broken down over time. Our investigator has attempted to resolve the complaint by interceding with the parties, but it still took time for the account funds to be released.

Ms S feels that she did all that she could to try to get the account unblocked and closed but Santander failed to give her sufficient information as to what was required. Ms S thinks that Santander caused a delay of two years in blocking the account and should bear responsibility for the hotel costs she incurred while unable to restore her home.

I haven't seen any evidence that Ms S's home was uninhabitable, though she has said it suffered from fires in July 2021. She hasn't given details of an insurance claim, but I assume there was one and this would be in relation to the repairs. Ms S said there was a shortfall to pay for repairs, which she couldn't complete due to funds held in her blocked account. Ms S stayed in a hotel between 29 April to 5 May 2023, but the balance of the account was transferred to her on 7 April 2023 and so there were funds to meet this expense. In any event Ms S's hotel costs would be more related to her insurance claim than her bank.

Ms S said prior to the block in May 2021 the account held £1 credit, but this was followed by £400 monthly credits with her reference from May 2021 to June 2022. The investigator thought Mr and Ms S could've stopped these credits and paid these funds into another account if they needed to access the funds urgently to complete repairs to Ms S's house. I can see that Ms S said she was too ill to change the standing order for these payments and didn't know the block would drag on. I sympathise with her for the time taken to unblock the account, but I don't see why the standing order couldn't have been stopped and I'm not persuaded that Santander is responsible for any financial loss to Mr and Ms S.

I can see that Mr S never lived at her address and was not a UK national. Ms S's address was held on Santander's records for contacting Mr S, and so I think Santander acted fairly by asking him to provide verification documentation in line with its change of address guidelines so it could verify him. I can see that Santander asked for ID proof and on 28 September 2022 informed Mr and Ms S what was required.

Following on from this communication, I think Santander could have been more proactive in explaining to Ms S what information was still required in order to unblock and close the account. I agree with the investigator's recommendation that Santander pay Mr and Ms S £150 compensation in recognition of their time spent with communications trying to clarify what information was required to unblock and close the account. However, I don't think Santander are responsible for any financial loss Ms S suffered in respect of hotel costs.

I can't hold Santander responsible for all the delay in the account being closed as Mr and Ms S also needed to take action to provide the ID verification documents required by Santander and Santander had set out its requirements to them. Until Mr S's ID was verified and change of address I think it was reasonable for Santander to maintain the block of the joint account.

Ms S said Santander's staff were needlessly rude and harsh on the phone and there was no justification not to communicate what was needed to unblock the account. However, as pointed out above Santander did write to Mr and Ms S about the ID information it required in September 2022. I haven't found anything to suggest that Santander's staff communicated inappropriately with Ms S and so I haven't upheld this part of her complaint.

Putting things right

In conclusion, I think the blocking and closure of Mr and Ms S's account was an unfortunate and prolonged saga. However, I think that Santander followed its guidelines correctly in the information it required to verify the account details, and this could have been provided much sooner by Mr and Ms S. Santander is within its rights to block an account if information about the account holders isn't correct and account holders have a responsibility to keep their details up to date.

I think that Santander should pay Mr and Ms S £150 compensation for the inconvenience of their time spent trying to clarify the information required to unblock and close the account. I understand that Mr and Ms S will be disappointed with this outcome, but I have said that Santander bears some responsibility for the delays, and I think the recommended compensation is fair and reasonable in the circumstances.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld in part. I require Santander UK Plc to pay Mr and Ms S £150 compensation for the inconvenience caused by its poor communications.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Ms S to accept or reject my decision before 5 February 2024.

Andrew Fraser
Ombudsman