

## **The complaint**

T, a limited company complains that Santander UK Plc unfairly closed its account.

T is represented by its director, Mr T.

## **What happened**

T had a business account with Santander.

In November 2022, following a review Santander decided to close the account. Santander wrote to Mr T giving him two months' notice that he needed to make alternative banking arrangements for his company, T.

Mr T complained to Santander about the closure of the account and asked Santander to explain why it no longer wanted T as a customer. Mr T said he suspected Santander's decision was based on out of date information about him in the media and because he had a previous spent conviction. He said if this is the reason Santander closed T's account it is discriminatory and a breach of the Rehabilitation of Offenders Act 1974. In response, Santander didn't provide Mr T with much information. The bank said it hadn't done anything wrong and had acted in line with the terms of the account and relevant regulations when it had closed T's account.

Mr T wasn't happy with the bank's response and brought T's complaint to this service. He said Santander had treated him unfairly based on what had happened many years ago. He said Santander's actions had caused him a great deal of trouble and upset and impacted his business. He said he had relied on the account to receive mortgage and rental payments and had to go to the trouble of opening new accounts and reorganising T's finances including moving lots of direct debits, which was time consuming and inconvenient. He wants Santander to reopen T's account.

One of our investigators reviewed the complaint. She said that Santander hadn't done anything wrong when it had closed T's account and had closed it in line with the terms and conditions of the account. Mr T disagreed. He said Santander has broken the law because it closed T's bank account based on old information about him and his associates and because he has a spent conviction.

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 appreciate Mr T was disappointed by the investigator's opinion and I can see that he has provided a detailed response to what she said about T's complaint. I'd like to reassure Mr T

that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach. I do stress however that I've considered everything that Mr T and Santander have said before reaching my decision.

Firstly, I want to address Mr T's comments about Santander breaking the law. Mr T has said that Santander has not taken account of the Rehabilitation of Offenders Act 1974 when it closed T's account – in other words broken the law. Our service is an informal alternative to the courts. It is not the role of the Financial Ombudsman Service to decide whether the business has acted unlawfully or not – that's a matter for the Courts. I can't make a finding as to whether the law has been broken, and I don't need to in order to decide this complaint. So, whilst the law is a relevant consideration, we don't look at complaints in the same way a court might. We're able to reach an outcome based on what we believe to be fair and reasonable in all the circumstances.

Santander are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations when providing account services to customers.

They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

In order to comply with its legal and regulatory obligations, it's not unusual for a financial business to periodically review its customers' accounts, even if the account holder has been a customer for some time. Having looked at all the evidence and information, I'm satisfied that Santander were complying with their legal and regulatory obligations when they reviewed T's account. So, I can't fairly say they've done anything wrong.

Santander is also entitled to close an account just as a customer is entitled to close their account with Santander. But before Santander closes an account, they must do so in way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that Santander could close the account by giving at least two months' notice. Santander has done this, so I'm satisfied that they have complied with this part.

I've then gone on to consider whether Santander's reason for closing the account was fair. In doing so, I appreciate that Santander are entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Santander should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

I've considered carefully what Mr T has said regarding his spent conviction and the Rehabilitation of Offenders' Act 1974. Mr T has explained that he got mixed up in something more than a decade ago and received a suspended prison sentence as a result. He's also said that the matter was reported in the media at the time. Mr T says it would be a breach of the Rehabilitation of Offenders Act 1974 if Santander's decision to close T's account was based on his previous conviction. He says it would also be unfair for Santander to base its decision to close the account on out of date media stories about him.

After considering all the available evidence and information I haven't seen evidence to show Santander's decision breached the Rehabilitation of Offenders Act 1974 or that Santander reviewed and closed T's account for an improper reason. There's nothing that I've seen, that suggests it amounted to anything other than a legitimate exercise of its discretion. It follows then that I've not seen any evidence that would lead me to conclude Santander treated T differently because of Mr T's previous spent conviction and what was reported in the news. The reason Santander gave for closing the account is that it was outside the bank's risk

appetite. That in turn means it can choose who it has a customer relationship with. This is a decision that I can't interfere with as it is a commercial business decision.

I understand of course why Mr T wants to know the exact reasons behind Santander's decision, other than what he's been previously been told. And I can see that Mr T has asked Santander to explain itself on several occasions. It can't be pleasant being told that you are no longer wanted as a customer. But Santander doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr T the reasons behind the account review and closure, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr T this information. And it wouldn't be appropriate for me to require it to do so.

In summary, I understand Mr T will be unhappy with my decision but ultimately Santander is entitled to set its own risk appetite. Having reviewed all the evidence and circumstances of this complaint, I'm satisfied that Santander has acted in line with the terms and conditions of the account and as such I can't conclude that it has treated T unfairly when it closed its account. So, I won't be asking Santander to reopen T's account.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 9 January 2024.

Sharon Kerrison  
**Ombudsman**