

The complaint

Mr and Mrs D have complained that Santander UK Plc blocked a payment they had arranged from their current account but did not inform them it had done this.

What happened

Mr and Mrs D rang Santander on 1 September to arrange a payment from their account to a credit card with another provider. Santander withdrew the funds from their account but then stopped the payment, returning the funds on 2 September and blocking the account. It has explained that this was because its security system had triggered the need for it to carry out further checks with Mr and Mrs D to ensure the payment was genuine.

Mr and Mrs D say that Santander failed to tell them that the payment had been stopped. As a result of the failed payment, they say that the credit card provider charged them, and that they incurred interest.

On 10 September Mr and Mrs D rang Santander to request a further payment be made to a different credit card, but this further transaction was also blocked. This led Mr and Mrs D to be transferred to a different Santander call handler. They state that the call handler initially told them that their account remained blocked and that nothing could be done about this. After about an hour spent on the phone, Mr and Mrs D asked to speak to a manager. They were told that no manager was available. They asked the call handler to provide her employee identification number and a complaint number, but these were not given. However, the Santander call handler did unblock the account and the two outstanding credit card payments were then made.

Mr and Mrs D complained to Santander about the first payment being blocked. In response Santander stated that at 11:36 on 1 September it had attempted to call Mr and Mrs D on their landline to check whether the payment was genuine. Because Mr and Mrs D did not respond, it had returned the payment to their account. The call made by Mr and Mrs D on 10 September allowed Santander to unblock the account and process the payments. Santander's view was that it had followed its processes correctly and in line with the account terms and conditions. However as a gesture of goodwill, it paid £25 into Mr and Mrs D's account.

Unhappy with Santander's response, Mr and Mrs D brought a complaint to this service. They did not accept that Santander had attempted to call them on 1 September on their landline to check the requested payment was valid. They stated that it was this landline they had used to request the payment, and they had received no follow up call or answering machine message to check its validity, despite the fact they had been at home all day. Mr and Mrs D also stated that their request that Santander's complaint response be sent by email to them had been ignored. They highlighted the stress they had experienced as a result of the payment failing, and spending an hour on the phone attempting to resolve this matter. Mr and Mrs D said that the refusal of the call handler on 10 September to provide an identification number and a complaint number, and the fact they were not passed to a manager, had compounded their stress.

Mr and Mrs D explained that the failed payment on 1 September had led to the credit card provider charging them £50.50 for non payment and interest. They asked that Santander reimburse them this sum, contact the credit card provider so that any record of a failed payment is removed, and explain why they were unable to speak to a manager or be given an employee identification number on 10 September. They also asked for compensation to reflect distress caused to them both due to the failed payment and the way in which their concerns were later handled by Santander.

Our investigator did not uphold this complaint. Her view was that Santander had acted in line with its terms when blocking the payment on 1 September due to its concerns about the security of the account, and that it had attempted to contact Mr and Mrs D on the same day to discuss this. She also considered the call handler who Mr and Mrs D spoke to on 10 September had assisted them appropriately.

Mr and Mrs D did not agree with the investigator's findings. They referred to Santander's comment that it had attempted to call them on their landline on 1 September to speak to them about whether the payment was genuine. Mr and Mrs D highlighted the fact that no further attempts were made to call them before the payment was returned to their account on 2 September. They also repeated their assertion that they did not receive any call from Santander on 1 September, and stated that no call was received from the bank on 2 September either. Mr and Mrs D have said they were available at all times, and reiterated that they also have an answer machine.

Mr and Mrs D said that it would not have made sense for them to ignore a call from Santander. In their view, Santander breached its own terms and conditions by failing to contact them about the payment before returning it to their account. In relation to the other issues raised, Mr and Mrs D explained their understanding that financial call centres are required on request to provide a manager to talk to. They also said call handlers are required to provide employee identification numbers and a complaint reference when these are requested.

Our investigator responded that evidence showed Santander had attempted to call Mr and Mrs D on 1 September, and that there was no requirement on the bank to then chase further to obtain a response. She stated there was no requirement for a financial call centre to provide a manager to talk to on request, or for an employee to provide their identification number.

Mr and Mrs D confirmed their request for their complaint to be reviewed by an ombudsman, repeating their concerns outlined above that Santander never told them that their payment had been stopped.

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.

Mr and Mrs D are unhappy with Santander's actions when it blocked their payment requested on 1 September, and they do not accept that the bank alerted them about this. What I need to determine is whether Santander has acted within the terms of the bank account, and also whether I consider the bank has acted fairly.

The account terms state that Santander can refuse a payment instruction if it reasonably suspects it relates to fraud. Where transactions are being processed as faster payments, which I understand was the case here, the terms state that *"(t)here may be a delay in processing the payment while fraud prevention checks take place. We may need to contact*

you if we suspect that a payment is fraudulent". It states this may be by phone, and it is Santander's contention that this is how it attempted to contact Mr and Mrs D to verify the payment was genuine. On balance, my view is that the terms of the account permit Santander to block payments when it has suspicions about them.

Central to Mr and Mrs D's complaint is that they do not believe that Santander contacted them by phone to check about the authenticity of the payment in question. I have carefully considered Mr and Mrs D's comments regarding this, and I acknowledge that they state they were available at all times to answer a call made to their landline on 1 September. Santander has stated that it did make such a call.

Clearly I cannot know for certain whether the bank did call Mr and Mrs D on 1 September once its systems had flagged the payment up as requiring further investigation. But I need to assess this issue on the balance of probabilities. Having done so, based on the evidence that Santander has provided, my view is that it is more likely than not that it did attempt to call Mr and Mrs D on their landline on 1 September to discuss the payment.

As Mr and Mrs D have pointed out, Santander has stated that it attempted to call them on only one occasion to discuss the payment before it returned the funds to their account. They have indicated that a further attempt to contact them should have been made. Although I appreciate why Mr and Mrs D are dissatisfied that more attempts were not made to ask them about the payment, overall I consider Santander acted within the terms of the account when operating the way that it did. My view on balance is that having identified the payment as suspicious, Santander was not required to chase Mr and Mrs D on multiple occasions to establish its validity. By returning the funds to the account, I consider the bank acted reasonably. I am also mindful that Santander's actions were intended to reduce the risk of Mr and Mrs D falling victim to fraudulent activity on their account.

In relation to the other elements of Mr and Mrs D's complaint, our investigator has previously explained that complaint handling by a business is not a regulated activity, and that this impacts what matters this service is able to investigate. By way of further explanation, a complaint purely about the complaint handling of a firm is not a complaint about a financial service, and so would not fall within the jurisdiction of this service. However, I can consider a complaint where the subject matter is about an underlying financial service. Here that would include the concerns Mr and Mrs D raised about the call they had with Santander's representative on 10 September.

Mr and Mrs D are unhappy that the call on 10 September took around an hour. They have also stated that they understand financial call centres are required to provide a manager to talk to upon request, and that call handlers must provide employee identification numbers when asked for these. I am not aware of there being any regulation that would require Santander to escalate calls to managers when requested, or that would require an employee to provide an identification number when asked for one. I appreciate why Mr and Mrs D wanted to speak to a manager because they were clearly frustrated that their payment had been blocked. However, my view is that in dealing with the issues that Mr and Mrs D raised in the call on 10 September, Santander acted in a reasonable manner. This resulted in both the payments requested on 1 and 10 September being processed, once Santander had ensured these were valid.

In summary, it is clear that Santander's blocking of their payment caused Mr and Mrs D difficulties, and I understand why this was a cause of concern for them. However, I consider Santander did act reasonably, both at the time that the payment was blocked, and when the transaction was later processed. I appreciate Mr and Mrs D will be disappointed with my findings, but my conclusions are that Santander has acted fairly in this matter.

My final decision

My final decision is that I do not uphold this complaint, and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs D to accept or reject my decision before 18 September 2023.

John Swain
Ombudsman