

The complaint

Mr F complains about an account block applied by Santander UK Plc.

What happened

In February 2023 Santander contacted Mr F to advise it needed to complete a Know Your Customer (KYC) review for compliance purposes. Santander says it needed up to date identification, evidence to show Mr F was in receipt of benefits, information about his finances as well as information about payments that had been received into his account from third parties. Santander first discussed the KYC review with Mr F on 21 February 2023 but the call was cut off which meant the review wasn't completed.

Santander next spoke with Mr F on 17 March 2023. Mr F agreed to submit up to date identification and explained he was in receipt of Universal Credit as he was unemployed. Mr F advised that he didn't have a letter confirming entitlement to receive Universal Credit and asked to submit evidence from the benefits system instead. The agent also asked Mr F about the credits he'd received from two different individuals but was advised this information was private. Mr F was given instructions on how to submit documentation required to complete the review.

Mr F has explained that from this point he spent several hours over the course of around a week trying to contact Santander's KYC review team. Mr F says he experienced hold times of between three and four hours and was promised call backs that weren't received. On 29 March 2023 Mr F was referred to the complaints team. Mr F submitted his passport and information from the benefits system that showed he was in receipt of Universal Credit. An agent Mr F spoke with said they would try to get Mr F's documents reviewed as a priority.

Due to the KYC review being incomplete, on 29 March 2023 Santander applied a block which restricted access to Mr F's account and meant he couldn't access funds. Mr F has explained he was advised the account block was due to take place on 30 March 2023 and only found out he'd lost access to funds when he tried to use his bank card in a shop.

Santander's systems notes show Mr F's responses and account were reviewed again on 31 March 2023. The reviewer advised that as Mr F hadn't answered the questions concerning the payments received from third parties the review couldn't be completed.

Santander next spoke with Mr F on 3 April 2023. During the call, Mr F gave some further background concerning the credits he'd received from third parties. Santander went on to remove the account blocks.

Mr F complained and explained Santander's actions had led to him being without access to any funds for several days. Mr F added that meant he couldn't pay for essential items like food. Santander paid Mr F a total of £250 for the distress and inconvenience caused.

Mr F went on to refer his complaint to this service and it was passed to an investigator. They thought Santander's settlement of £250 was a fair way to resolve Mr F's complaint and didn't ask it to do anything else.

Mr F asked to appeal and said Santander had blocked his account a day earlier than promised. Mr F also said he'd attempted to contact Santander on several occasions before the account block was put in place and had experienced wait times of up to four hours when trying to speak with the KYC review team. Mr F explained he'd called Santander on 29 March 2023 and spoke with a complaints manager. Mr F submitted his identification letter and Universal Credit information and says he was promised the KYC review would be completed as a priority. But Mr F's pointed out he was next contacted by Santander on 3 April 2023 during which the agent agreed to remove the account block.

Mr F's explained that he doesn't feel the payment of £250 Santander offered fairly reflects the loss of banking services for six days and the level of distress and inconvenience caused. As Mr F asked to appeal, his complaint has been passed to me to make a 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

Santander's told us the account block was correctly applied on 29 March 2023 as Mr F had failed to comply with the KYC review requests. I can see that Santander spoke with Mr F on 17 March 2023. During the call, Santander explained Mr F needed to supply up to date identification, evidence to confirm he was entitled to receive Universal Credit and asked questions surrounding the payments received into his account. Instructions on how to provide the information were provided. But Mr F declined to answer questions about the credits being received and explained it was a private matter. And whilst I understand Mr F called back on several occasions to speak with Santander about the KYC review, I note the documents he needed to provide weren't forwarded until 29 March 2023. And at that point, Mr F hadn't answered the questions about payments to his account.

On 31 March 2023 Mr F's responses and evidence were reviewed again by the KYC team. It confirmed that Mr F still needed to provide answers to the questions concerning the payments being received into his account before the review could be completed and account blocks removed. It was only on 3 April 2023 that Santander spoke with Mr F again and he agreed to provide further information concerning the payments he had received from third parties. Once that information was provided, Santander agreed to remove the account blocks. Whilst I understand Mr F's account was blocked for around six days, I think the decision to apply the restrictions was reasonable when the KYC review was incomplete. Had Mr F confirmed details about his credits, along with providing identification and Universal Credit documents, I think Santander would've been in a position to remove the account block sooner.

I agree there were delays and service issues. Mr F's told us about very long call wait times and difficulties speaking with the right person. Santander's confirmed there were long call wait times when Mr F was trying to get in touch. And there was some confusion over when the account block would be put in place, with Mr F being advised the block would be applied on 30 March 2023, not 29 March 2023. Mr F's explained that the account block meant he

didn't have access to funds for around six days. But, as I've said above, I haven't been persuaded Santander acted unfairly by restricting Mr F's access to his account while the KYC review remained incomplete. With that said, Mr F let Santander know that he needed access to his account to pay for essential items and I agree it should've attempted to complete the review as a priority. I've taken the delay into account when considering how to fairly resolve Mr F's complaint.

Santander paid Mr F a total of £250 to reflect the impact of the service provided and distress and inconvenience caused. I'm sorry to disappoint Mr F but I think the existing settlement agreed by Santander is a fair way to resolve his complaint and recognises the service provided. Whilst I agree Santander could've completed the KYC review quicker, I also think it's fair to say the process required Mr F to answer questions about the activity on his account. It was only after Mr F agreed to respond to Santander's questions about the third party payments received into his account that it was able to remove the account block and complete the review. So whilst I agree Santander could've done more to move the KYC review forward quicker, I haven't been persuaded it was responsible for all the delays.

Overall, I'm satisfied £250 fairly reflects what happened and how the situation impacted Mr S. To put it another way, the settlement is very much in line with what I would've told Santander to pay had no offer been made. As I'm satisfied Santander has already agreed a settlement that is fair and reasonable in all the circumstances, I'm not telling it to do anything else.

My final decision

My decision is that Santander UK Plc has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 10 January 2024.

Marco Manente
Ombudsman