

The complaint

Ms W complains Santander UK Plc provided a poor service and incorrectly closed her account.

What happened

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points of the complaint.

Ms W held a Santander account, which was subject to review as part of Santander's ongoing regulatory obligations. As part of this review Ms W was asked to provide identification and proof of address details.

Ms W says she didn't receive the necessary correspondence requesting these details. However, after the initial delays Ms W provided the information required in early April 2023. Ms W's account was credited with £150 at this point in recognition of the poor service she had received, and the inconvenience caused to her through the lack of clear communication.

Upon receipt of the information Ms W submitted, Santander proceeded to close Ms W's account. Santander explained this was due to human error, and it took steps to ensure the account remained open. Santander offered Ms W a further £150 and said it would consider the costs she had incurred in phone charges once Ms W provided it with information.

Ms W did not accept Santander's offer. Ms W explained that she was unable to access her online account due to the account closure. Ms W also explained there was a data breach as a relative attended a Santander branch and was informed Ms W's account had been closed and a cheque issued to her.

Ms W referred her complaint to our service, and an Investigator agreed that Santander had provided a poor service. They found the offer made by Santander to be fair and didn't think it needed to take any additional steps.

Ms W remained unhappy, so the complaint has been passed to an ombudsman for a final 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 am sorry to see the issues Ms W has had with her Santander account. I appreciate the incorrect closure of her account has been a source of worry and frustration. Based on all the available evidence I agree Santander's service has fallen below the standard I would expect. However, I also think it has adequately taken steps to recognise this and put things right. I'll explain why.

Ms W has explained she has had issues with her Santander account from December 2022 onwards. I can see Santander has attributed these problems to its systems requiring a UK postcode. As Ms W lives abroad, the process should've been amended accordingly, and Santander acknowledges that it should've taken steps here to ensure the process was smoother for Ms W.

Santander says it informed Ms W of the checks it was carrying out on her account in late 2022. Ms W says she didn't receive any correspondence, and it was only when she contacted Santander, she was told it needed certain information from her to meet its ongoing regulatory obligations. It's not clear why Ms W didn't receive the correspondence Santander sent, but I can see that Ms W was able to provide the verification details Santander needed. Ms W says she had to speak to Santander multiple times, and she has spent many hours on the phone trying to resolve the problems.

Although Ms W was able to provide the necessary information to Santander, her account was still closed down. I appreciate this must've been very frustrating for Ms W given the events leading up to this stage. Santander has issued an apology to Ms W and has accepted responsibility for the problems she experienced. Santander has offered Ms W in total £300 for the distress and inconvenience caused. It has also offered to cover costs of phone calls made by Ms W if she provides evidence of the costs she has incurred.

I can see Ms W doesn't think the compensation award is enough. Reaching an award for distress and inconvenience is seldom straightforward. The issues involved are subjective by their very nature and the impact on the consumer can be difficult to determine. I understand Ms W had already had a negative experience with Santander in July 2021, so the issues from December 2022 onwards must have been particularly upsetting for Ms W. But I also think the steps Santander took at the time were reasonable. Ms W was given an explanation of the cause of the problem, her account was reopened, and an £150 award was credited to her account. Santander is prepared to pay the remaining £150 and consider costs incurred by Ms W. I wouldn't expect Santander to do any more to compensate Ms W.

Ms W has also expressed concerns about an alleged data breach by Santander, as a relative was informed of the account closure when they attended a Santander branch. Santander says only general information was given, and no specific account information was disclosed. It has assured Ms W that feedback has been provided, and this information was given to simply assist the relative with her queries. I understand this was private account information, but I can't see that it has had a negative impact on Ms W and that specific account details were disclosed which would compromise the security of Ms W's account. I understand this disclosure was another source of concern to Ms W, but I think the compensation offered to Ms W adequately reflects the impact of the issues she experienced.

As a result of the accidental closure of Ms W's account, Ms W hasn't been able to use her debit card or access online banking. Santander has explained it needs to issue her a new card but says Ms W informed it that she does not want this card sent to her address abroad. Ms W says this is because the card wouldn't be sent via recorded delivery, and she will not have access to the right type of ATM which will allow her to activate it. Ms W says she will need to fly to the UK to activate and use her card and Santander should cover the cost of this. I understand the closure of her account was due to errors by Santander, but it still needs to follow its process to reactivate Ms W's online banking and card. As an alternative Santander has offered to send the card to Ms W's local branch and when she is next in the country, she can activate the card and online banking facility. I think this is a reasonable alternative given the circumstances.

I know this will not be the outcome Ms W was hoping for and she will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't

be asking Santander to take any further action. If Ms W wishes to accept the remaining £150 compensation and provide Santander with a breakdown of the expenses she has incurred for its consideration I would encourage her to do so promptly and directly with Santander.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 2 February 2024.

Chandni Green
Ombudsman