

The complaint

Ms N complains that Santander UK Plc blocked, and then closed, her account without warning or explanation. She's like an explanation, and compensation for the distress.

What happened

On 11 January 2023 Ms N tried to access her Santander account, only to find her access had been blocked. She contacted the bank but wasn't given an explanation of why or when she could expect to be able to use the account again. Santander then wrote to her on 26 January to say the account was now closed. They sent a cheque for the remaining balance.

Ms N complained about how she was treated. Santander investigated but didn't think they'd done anything wrong. They said they had legal and regulatory obligations to meet, and this meant they had restricted her account. They didn't offer any further explanation.

Unhappy with this Ms N referred the complaint to our service. One of our investigators looked into what happened but didn't think Santander had done anything wrong. They felt Santander were acting within their obligations, and the account terms, when they blocked and closed the account.

Ms N disagreed, so the complaint has been passed 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.

It is right to say that as a regulated financial business Santander have legal and regulatory obligations to fulfil when providing accounts to customers. These can include ongoing account monitoring to understand more about their customers and understand how they are using their accounts. This can mean on occasion they need to restrict the activity on an account to carry out a review – as happened here with Ms N's account.

Santander haven't done anything wrong by placing the account under review. I appreciate Ms N would like to know more about why this way. But the bank aren't under any specific obligation to tell her why the review is being carried out. They've declined to provide any further information to Ms N, and this isn't unreasonable. I would expect any review to be completed promptly and without undue delay. In this case it took 15 days, which I consider reasonable.

Santander then took the decision to close Ms N's account immediately. Banks can close accounts for legitimate reasons. But generally, they are expected to provide two months' notice to allow the customer to find accounts elsewhere. There are only limited circumstances where it's reasonable to close an account without prior notice. These are outlined in the terms of Ms N's account.

I appreciate Ms N would also like to know the reasons for the closure – but again this isn't something the bank are obliged to give her. They have declined to expand on their reasoning to Ms N, but have provided the relevant information to our service. I'm satisfied that under our rules this information can be treated confidential, and it would be inappropriate for me to detail this information in full here. But I've reviewed the list of reasons Santander give to close accounts without notice and considered them against the circumstances. Overall, I'm satisfied it was reasonable for Santander to close Ms N's account without notice. This was in line with their legal and regulatory obligations, and the terms of the account.

The balance on the account was returned to her the same day the account was closed. I can't see there were any undue delays in allowing Ms N access to her funds.

Ms N has told us about the impact the immediate closure had on her, and I've no doubt it is difficult to suddenly find your bank account closed. But I can only ask Santander to compensate for the impact of any actions where they've been unfair or unreasonable. In this case Santander haven't been unfair or unreasonable in blocking and subsequently closing Ms N's account. So, on that basis they don't need to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 11 August 2023.

Thom Bennett
Ombudsman