

The complaint

Mr T complains that Santander UK Plc (Santander) closed his accounts. He says this caused him stress and frustration and that he would have liked for the accounts to have stayed open.

What happened

Mr T had a number of accounts with Santander for a number of years, some he held jointly with his partner and others were for businesses he was the director of. In November 2022 Santander wrote to him to let him know that all his accounts would be closed in early January, therefore giving him 60 days' notice. No reasons were provided.

He complained to Santander but says he was fobbed off and his concerns were dismissed. Mr T said the way everything was handled by Santander caused him stress and frustration and despite spending hours on the phone trying to get more information he was advised there was nothing else Santander could do and to open a new bank account with another bank. Mr T added that the timing of the closures, close to Christmas, also added further pressure particularly as it affected the strategy and management of his businesses due to the amount of time it would take to find another bank. He said he felt like he had been treated like a criminal when in fact he had been a very good customer for years and managed his accounts well.

Mr T said he believed Santander either made an error or a misjudgement or used out-of-date information about him from many years ago. He added that this went against the Rehabilitation of Offenders Act 1974 ('the Act') and amounted to discrimination. Mr T said the best outcome would have been for Santander to have kept all the accounts open, so he could've continued with his daily life and his businesses.

Santander considered the complaint, but it didn't uphold it. It said its decision to withdraw banking facilities wasn't due to a mistake on its part. It added that it was acting in line with its terms and conditions and that it did not need to provide further information.

Mr T then brought his complaint to us. He said he was concerned about information Santander may be sharing with other banks and how this could impact his ability to take out other accounts in future. Mr T added that Santander may be relying on old information about one of the former directors for one of his businesses who was involved in a court case which was in the media around 15 years ago. He said under the Act their convictions would have been "spent" and so none of their details should be affecting anyone connected to them, including himself. He added that this treatment could also amount to discrimination.

One of our investigators reviewed the complaint but she didn't think it should be upheld. She thought Santander was acting within its terms and conditions which allow it to close an account at any time without giving a reason by giving two months' notice. Our investigator also said she didn't think Santander had discriminated against Mr T and that based on what she had seen, Santander's decision to close the account wouldn't impact Mr T's ability to open another account.

Mr T didn't agree and asked for an ombudsman's decision. Mr T reiterated that he believes Santander is acting on old information about a situation he was unfortunately wrapped up in 15 years ago. He said the Act says no one can make a discriminatory decision against him by relying on this information. He felt Santander's actions against him, and his partner were unjust and believes Santander has broken the law.

The matter was then 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.

Mr T has brought his complaint to us together with his partner because joint accounts were also impacted. In this decision I am only considering his complaint about his personal account.

It might be helpful if I start off by explaining that our service doesn't punish or fine businesses, and it's also not our place to say that a procedure the business follows is incorrect. Only the industry regulator, the Financial Conduct Authority (FCA), can do this. Businesses have legal and regulatory obligations they have to meet, and they have processes in place in order to meet these obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. To comply with its obligations Santander may need to review an account and/or restrict its customers' access to accounts and funds held within them. So, our role in cases like this one, is to look at whether the business has followed its own internal procedures correctly, while also meeting its legal and regulatory obligations. And whether in doing so it has treated its customers fairly. This is what I will go on to consider in this decision.

A bank is also generally entitled to close an account providing it's in line with the terms and conditions of the account. In this instance the terms of Mr T's account say that in certain instances Santander can close accounts with immediate effect or by providing 60 days' notice, which is what it has done in this case. And it doesn't have to provide a reason for doing so.

I understand Mr T wants Santander to explain the reason it decided to close his account. But Santander doesn't have to 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 closure as much as he'd like to know, just as Mr T wouldn't have had to give Santander a reason if he'd decided to leave it. 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.

Santander has provided evidence, which I have considered but can't share with Mr T, which shows to me that its decision to close the account was fair and reasonable and nothing other than a legitimate exercise of its commercial discretion. I wouldn't look to interfere with that. Our rules allow us to receive evidence in confidence. We may treat evidence from businesses as confidential for a number of reasons- for example if it contains security information, or commercially sensitive information. Some of the information Santander has provided is information that we considered should be kept confidential so, as I said, I won't be sharing a lot of detail with Mr T but I'd like to reassure him that I've considered everything.

Mr T said he was concerned that Santander's decision was made in error or based on out-of-date information. He said if that is the case, Santander may be breaching the Act and discriminating against him.

It is not my role to decide whether Santander is in breach of the Act. That is a matter for the courts. What I will say is that, as I said above, I think Santander's actions were in line with its terms and conditions and its decision to close the account was fair and reasonable.

Mr T feels that Santander has discriminated against him. It's not for our service to consider if Santander's actions breached the Equality Act 2010, that is for a court to decide. However, it is our role to consider if Santander has treated Mr T fairly and reasonably. While I accept that Mr T hasn't referred to the Equality Act 2010, he has mentioned discrimination.

I appreciate it is very frustrating not knowing the exact reason for the closure but, from what I have seen, I don't think Santander has treated Mr T in any way that would be different or less favourable to another customer in a similar position. Nor do I think Santander has acted unfairly or unreasonably. I hope that it helps Mr T to know that someone impartial and independent has looked into his concerns.

Mr T is concerned about the potential impact the closures may have on him. I appreciate this must be distressing for him, but I should clarify that I can only award compensation for something that has already happened (and its future impact) or will happen. But I can't award compensation for something that may or may not happen in the future. Like our investigator, I haven't seen any evidence that Santander's actions might prevent Mr T from opening another account. So, I'm not awarding compensation for this.

My final decision

For the reasons above, I've decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 8 February 2024.

Anastasia Serdari
Ombudsman