

The complaint

Mrs P complains that Santander UK Plc has blocked a transaction and has restricted her access to her account.

What happened

In August 2022, Mrs P instructed an international transfer with Santander, but this payment wasn't made. Santander instead blocked the transaction and restricted Mrs P's access to her account. Santander wrote to Mrs P asking for more information about the payment and she was asked to attend a branch with identification.

Mrs P went to the branch with identification and was asked further questions. Santander was concerned about what Mrs P said, so it called the police. The matter ended with Santander declining to make the transaction and with Mrs P's account continuing to be restricted because it had no proof of what the funds were for.

Mrs P complained to Santander about this, but it maintained its position. So she brought her complaint to this service, where one of our investigators looked into things. Initially, they thought that Santander had acted correctly here and treated Mrs P fairly. Mrs P disagreed and responded with some further points, which our investigator then looked into.

Our investigator still felt that Santander had reasonable concerns about the payment in question here and that Mrs P still hadn't provided evidence of the reasons behind the payment being genuine. But, they did think that that continuing blocks and restrictions on the account were causing problems and that B could do more to help Mrs P use her account in a safe way. So they said that Mrs P and Santander should discuss how she can use her account for day-to-day spending while also continuing to keep the amount in dispute ringfenced from use. They said that Santander should pay Mrs P £250 for the delays in reaching a fair outcome like this.

Santander agreed with this, but Mrs P didn't. She said she needed the money desperately to pay for building works and remained very unhappy with how Santander had dealt with the situation. 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.

The starting point here is that a bank should generally follow its customers' instructions, unless there is good reason not to. That'll be usually be explained in the terms and conditions of an account which will say that a bank can refuse a payment where it suspects a payment may relate to fraud. So here, Santander decided that it wasn't going to just make the payment Mrs P wanted to make. Instead, it wanted more information about this to be sure that the payment was genuine and that Mrs P wasn't being defrauded.

This is a position that Santander is entitled to take and in deciding whether it's fair, I've taken

into account the relevant rules and guidelines, along with good industry practice at the time. There are general principles that say that a bank should conduct its business with due skill, care and diligence and to pay due regard to the interests of its customers.

As a matter of good industry practice, I'd expect a bank like Santander to be monitoring accounts and payments to identify and prevent transactions that could involve fraud, or be the result of a scam - along with identifying and assisting vulnerable consumers (including those at risk of financial exploitation).

In my view, that's what Santander was doing when it declined to immediately make this transaction here. The payment was an international transfer for a relatively high amount in the context of Mrs P's normal account usage. This meant that Santander wanted some further information about the transfer to be sure that it was legitimate and genuine and that Mrs P wasn't putting herself in any potential harm by making it.

The questions that Santander asked were, in my view, proportionate and reasonable. Mrs P has provided some inconsistent information about the reasons behind the payment here, but she seems to have eventually confirmed that it is intended to fund building works. Santander has asked for proof of these works, which is a reasonable request and one which I think a customer would generally be able to evidence in some way. But Mrs P has never provided this evidence and given all the circumstances here – I think it's fair that it continues to block the payment until she provides further evidence that may satisfy Santander that this is a genuine payment.

Mrs P is also unhappy that she was asked to attend a branch and that the police were called. But asking her to attend a branch is a reasonable step to allow Santander to see any evidence and identification documents she may have had and also to discuss the situation with her. While Mrs P provided her identification, the information and answers she provided around the transfer caused Santander some concern. So it called the police.

That's in line with the Banking Protocol – introduced in late 2016 and rolled out more widely in the UK during 2017. This protocol allows branch staff who may suspect that a customer is at risk of financial harm or potential fraud, to directly contact local police who will attend a branch. So while I realise that Mrs P thinks that how Santander handled this was embarrassing and disproportionate – I think that in the circumstances, it was just following the protocol in a fair way that was in Mrs P's best interests, even though I know she sees it very differently.

So I'm satisfied that, in all the circumstances here, Santander has acted fairly and reasonably in not making this transfer. It follows that I won't be asking it to do any more in relation to that. But, as our investigator has pointed out – Santander could have explored what it could do to give Mrs P access to her account for day-to-day purposes beyond just this transaction. Santander accepts this and has now agreed to discuss the situation with Mrs P to see what it can do to help her with this and has agreed to pay £250 for not doing this sooner.

In my view, this is a fair and reasonable resolution to this complaint. Mrs P now has an opportunity to get access to her account, even if Santander isn't willing to make the transfer she wants. It's agreed to pay compensation for the distress and inconvenience for not doing this sooner. I don't see any reason that I can tell Santander to do any more than this. I can only encourage Mrs P to speak to Santander about agreeing a way forward where she can use the account for day-to-day reasons, even if that doesn't mean that the transfer will be made.

My final decision

My final decision is that Santander UK Plc should discuss with Mrs P a way she can access her account for day-to-day spending and pay her £250 for not doing this sooner. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 15 December 2023.

James Staples
Ombudsman