

The complaint

Ms E complains that Santander UK Plc constantly blocks her payments and that they have provided poor customer service to her.

What happened

Ms E says that Santander's software consistently and continually blocks payments to established existing payees, which means she has to phone them, experience long waits in queues, incur additional costs - such as foreign exchange losses and call costs, and be disconnected before she is transferred to their fraud team. Ms E has said on one occasion she was forced to call them on five consecutive days when they failed to unblock her account. Ms E complained to Santander.

Santander partially upheld Ms E's complaint. They said a bill payment on 7 October 2022 had been highlighted for security and was declined. Ms E called, and the payment was updated and remade for her, however the payment highlighted again and was sent for a review. Santander said all payments are subject to banking checks, whether they have been made before or not. They credited Ms E's account with £50 as a gesture of goodwill for what happened on two occasions (21 September and 17 October 2022). Ms E brought her complaint to our service.

Our investigator did not uphold Ms E's complaint. He said although he understood Ms E's concerns about her transactions being blocked, he couldn't agree that this was done incorrectly as Santander are entitled to block any transactions. He said while this may be inconvenient, Santander had acted in line with their terms and conditions to protect themselves and their customers.

Ms E asked for an ombudsman to review her complaint. She made a number of points, in summary, she said Santander are understaffed resulting in lengthy queue times, transactions are blocked regardless of the size as they also blocked a £200 payment, she commented on the fraud prevention software that Santander uses and how she didn't have the same issue with a third party bank she used, and she had been given conflicting information why her payments had been blocked.

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.

Firstly, I'm aware that I've only summarised Ms E's complaint points. And I'm not going to respond to every single point made by her. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Ms E that it is not within this service's remit to tell a business how to run their security procedures in order for the business to be satisfied they are meeting their regulatory requirements, such as blocking transactions or how they remove blocks. It is also not within this service's remit to tell a business what software they should use, even if their competitors have different systems to them, as it is a commercial decision which software they choose to use in order for them to fulfil their regulatory requirements. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Santander to make changes to their policies and procedures, if necessary.

Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent them from being victims of fraud and scams. Sometimes they identify and block legitimate payments due to security concerns. This can cause distress and inconvenience to a customer – but it doesn't necessarily mean they have acted incorrectly. Although Ms E has said that Santander will block even small payments, I would expect Santander to have controls in place which would check every single payment, and not just large payments – otherwise people would just try and send smaller payments to circumvent the security controls.

I've considered what Ms E has said about payments that she attempted to make were to existing payees, but these have still been blocked. But I'm not persuaded that this should mean that security checks should not take place in these instances. I say this because Santander need to satisfy themselves that Ms E is the person who is genuinely making the payments. I would still expect Santander to protect Ms E's account, even if there was a history of payments being made to existing payees

So I don't find it unreasonable for Santander to have security controls in place to manage their obligations and to fulfil their duties to their customers to ensure each payment made is genuinely made by their customers themselves and they are not being coerced or scammed into making payments. And I'm satisfied they have acted in line with their terms and conditions here in trying to protect Ms E's account, even though she has been inconvenienced by having to confirm to Santander that it was genuinely her making the transaction.

I've considered that Ms E has said she has had lengthy call waiting times, and this is disappointing to hear. At times, depending on fraud or suspected fraud trends, there could be an increase of customers who are ringing Santander at the same time, causing longer wait times. Ms E has said she has been told different reasons for the block, but it would appear as if the call handlers were speculating the reasons why a payment could be blocked. I say this because Santander wouldn't disclose how their fraud prevention systems work – and nor would they be required to – even to their own staff. I say this because if it was public knowledge of how their fraud prevention system worked, then people could try and circumvent the system in order to avoid transactions being blocked.

But it appears that on occasion Santander have let Ms E down as she has verified she made a payment, only for this to be reprocessed and re-blocked, which required Ms E to verify this again. It would be upsetting for her to hear different reasons as to why a payment may be blocked, when the reality is the staff would be speculating as to what happened (and that is why she's been told different things before as opposed to the same reason each time). So I have seen signs of poor customer service here.

Santander have paid Ms E a total of £100 (2x£50) compensation previously. And I'm satisfied that this is proportionate for what has happened. This is in line with what I would have awarded Ms E had Santander not paid Ms E this compensation. So it follows I don't require Santander to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 20 September 2023.

Gregory Sloanes
Ombudsman