

The complaint

Mr and Mrs M complain that Santander UK Plc blocked their account and provided very poor service when they were trying to resolve this issue.

What happened

On 2 March 2023 Mr and Mrs M wanted to make a payment of over £11,000 from their current account. This payment was to an account with another financial institution in Mr M's name. Santander blocked the payment and sent a message to Mr and Mrs M asking them to make contact.

Mr and Mrs M then had to call Santander several times to try to unblock the account, and the payment was stopped more than once. Eventually Mr and Mrs M were told that the payment would be referred to another team to review, and that this review could take up to 48 hours. Mr and Mrs M say they were then told this would be 48 working hours (so up to a week).

Mr and Mrs M made the payment from a different bank account on 3 March 2023, as they did not feel they could wait for the issues with their Santander account to be resolved.

Santander looked into Mr and Mrs M's concerns, and paid them £75 to recognise that they had spent a long and frustrating day on the phone to Santander trying to resolve these issues.

Mr and Mrs M do not feel this compensation goes far enough. They say that they continued to receive poor service after the compensation was paid, specifically regarding being given incorrect information about a final response being sent and that their account remained blocked.

As Santander was unable to resolve Mr and Mrs M's complaint they referred it to us. One of our Investigators looked into what had happened. They felt that Santander had provided Mr and Mrs M with some poor service, but that it had not been unreasonable for Santander to stop the payment given the bank's responsibilities under money laundering regulations. Our Investigator felt that the £75 Santander had already paid to Mr and Mrs M was appropriate compensation for the poor service they had received.

Mr and Mrs M didn't agree, they maintain that the £75 Santander had paid to them was related only to a specific issue and not to their overall experience. They feel the level of service they received merits additional compensation.

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.

Having done so I've reached the same conclusion as our Investigator and for the same reasons.

On balance, given the value of the transaction, and bearing in mind Santander's obligations under fraud and anti-money laundering regulations, I don't consider it was unreasonable for Santander to block the payment Mr and Mrs M were trying to make or to refer it to their internal fraud team for review. Mr and Mrs M have commented that they were able to make the payment from their other bank without any issue, but individual banks have their own checks and procedures, I don't think this means that Santander was unreasonable to block the payment.

I do though think that Santander handled the issue poorly, it appears that Santander did not unblock Mr and Mrs M's account when it said it would, was not entirely clear about the process, and that Mr and Mrs M had to make several lengthy calls to Santander to try and resolve this issue.

I acknowledge that the £75 Santander has paid to Mr and Mrs M was offered before these issues were fully resolved, and can therefore see why Mr and Mrs M do not feel this compensation encompasses their full experience with Santander in trying to resolve their concerns.

However, even with that in mind, I still consider that, overall, £75 is reasonable compensation for the impact of what has happened here. Mr and Mrs M did have to spend a significant amount of time on the phone, but it appears their account was unblocked within a reasonable amount of time and that they were nonetheless able to make the payment they needed to make using a different account. I don't doubt that this will have caused them frustration, but given the limited period this frustration and inconvenience lasted, and bearing in mind that I think Santander was reasonable to want to conduct further checks before unblocking Mr and Mrs M's account, I remain satisfied that £75 is appropriate compensation here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 17 August 2023.

Sophie Mitchell
Ombudsman