

The complaint

Mr S complains that Santander UK Plc (“Santander”) failed to make reasonable efforts to provide written notification it was going to close his account. This resulted in him not having time to make alternative banking arrangements and has left him unable to cash the cheque sent to him for the proceeds of his account as he has no account to pay it in to.

What happened

Mr S resides overseas but is a UK citizen. Mr S held an account with Santander. Santander’s records show that Mr S had his parents address in the UK listed as his correspondence address and that this was his preferred method of contact.

Santander’s records show Mr S’s residential address was updated on 13 January to show he resided overseas but that his correspondence address remained at his parent’s address.

Santander took the decision to close all accounts Mr S held with them and sent a letter of closure to Mr S’s residential address overseas – not his correspondence address – providing two months’ notice of the closure of his account.

Mr S never received this as there is no postal service in the country he resides. This meant Mr S only found out his account was closed when he was contacted about a failed direct debit. This meant Mr S had no time to make alternative arrangements to open another account or deal with his direct debits. Furthermore, Mr S is unable to bank the cheque for his closing balance (sent and received at his correspondence address) as he has no account to pay it in to.

Mr S complained to Santander about all of this. Santander didn’t uphold Mr S’s complaint. It says he was informed in writing about the closure of his account and gave him two months’ notice to action any changes necessary such as moving his direct debits to another account. It says it was entitled to close Mr S’s account under the terms and conditions and that no error had been made and it had followed its correct processes.

Mr S was dissatisfied with this and brought his complaint to this service. Mr S accepts that Santander is entitled to close his account and not obliged to provide him with banking facilities, but that his complaint is that it failed in its duty to make reasonable efforts to provide written notification that it was going to close his account. Mr S wants Santander to apologise by email, temporarily open an account so he can bank his cheque and compensate him for any negative impact this may have had on his credit report. One of our investigators looked into Mr S’s concerns and reached the conclusion that Santander had followed the correct process in sending the closure letter by Mr S’s preferred method of communication and that we had no power to ask Santander to re-open a bank account – it being a commercial decision of Santander’s to make.

Mr S disagreed and has asked for an ombudsman’s decision.

I issued my provisional decision on 27 November 2023. In my provisional decision, I explained why I was proposing to uphold Mr S’s complaint. I invited both parties to let me

have any further submissions before I reached a final decision. Mr S accepted the recommendations outlined in my provisional decision and Santander added nothing further.

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.

In my provisional decision I said that:

“My role is to look at the problems Mr S has experienced and see if Santander has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr S back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

Mr S accepts that Santander was entitled to close his account and end its banking relationship with him just as he is entitled to choose where he wants to deposit his money. What Mr S disputes is that Santander provided him with reasonable written notification of its intention to close his account. He believes that there are other means to contact customers which do not rely on external organisations that Santander should've used and would be more appropriate given the potential impact of using the postal service – such as online banking notifications.

And I agree that there are alternative means to contact customers that Santander could've used, but in Mr S's case he had specifically listed post as his preferred method of correspondence. So I can't say Santander made an error by giving notice of closure through the post. But where Santander has made an error is the address it sent the notice to. For reasons that are unclear – and despite asking for clarification on this point from Santander it remains so – it sent the letter of closure to Mr S's residential address overseas – and not the one listed for correspondence.

Santander says that all system generated letters such as notifications that an account has been closed would go to the correspondence address – but as Mr S's notice of closure was a manually produced letter it went to his address overseas. Santander has failed to show evidence that Mr S requested or authorised it to write to him at this address. Indeed, Mr S says he would've never set his correspondence address to his overseas address as there is no postal service there.

So this being the case I currently think Santander made an error by sending the notice of closure letter to the wrong address and as a result Mr S wasn't left with enough time to make alternative banking arrangements.

Some time has passed since Mr S raised his complaint, so I don't know if Mr S has now managed to cash his cheque. But if he hasn't, to put things right – while I can't ask Santander to open an account for him – I think given the situation it wouldn't be unreasonable to ask that it make arrangements with Mr S to transfer the proceeds of his account to another account held in the UK nominated by him and compensate Mr S £150 for the distress and inconvenience caused by its error.”

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint.

My final decision

For the reasons I've explained, I uphold Mr S's complaint against Santander UK Plc and direct it pay the fair compensation along with the proceeds of his account as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 31 January 2024.

Caroline Davies
Ombudsman