

The complaint

Mr S complains Santander UK Plc blocked and then closed his accounts without notice nor explanation.

Mr S says this has caused him to miss creditor payments affecting his credit file, financial hardship, substantive distress, and inconvenience. Mr S wants Santander to pay him £5,000 in compensation.

What happened

In July 2023, Santander blocked Mr S' access to his accounts. A little later Santander closed Mr S' account with immediate effect. A letter notifying Mr S of this was sent by Santander. Santander sent Mr S cheques for the closing balances. Unhappy with Santander's actions, Mr S complained.

Santander did not uphold Mr S' complaint. Santander said that it has decided to close Mr S' accounts which it can do under the terms of the accounts and it's not obliged to provide a reason.

Mr S referred his complaint to this service. One of our Investigator's looked into Mr S' complaint, and they recommended it isn't upheld. In summary, they made the following key findings:

- Santander is entitled to close its customers' accounts and it isn't required to give an explanation
- Santander acted in line with the terms and conditions when making its decision
- As Santander was acting in line with its obligations, it isn't responsible for any losses Mr S suffered

Mr S did not agree with our Investigator. In addition to points he made previously, he added that he called Santander six times, and no one could help him, and he lost out on interest on the money held in his accounts.

As Mr S didn't agree, his 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.

Having done so, I've decided not to uphold this complaint. I know this will disappoint Mr S, so I'll explain why.

Banks in the UK, like Santander, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to

restrict, or in some cases go as far as closing, customers' accounts.

Having carefully considered the information Santander has sent me, I'm satisfied it has acted in line with its wider legal and regulatory obligations when restricting Mr S' accounts.

Santander is entitled to close an account just as a customer may close an account with it. But before Santander closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which Santander and Mr S had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Having looked at the information given to me by Santander, and its terms and conditions, I'm satisfied it was entitled to close the account in the way that it has done.

I know Mr S would like an explanation for why Santander took the actions it did. But I am not aware of any obligation under which it must. I'd also add that our rules allow us to receive evidence in confidence. We may treat evidence from banks 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 we consider should be kept confidential.

Mr S says this matter has caused him financial loss and has had an adverse impact on his credit file as he was unable to make regular creditor payments. He also says it has caused him significant distress and inconvenience.

I do appreciate this matter would've caused him difficulty in the way he explains. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Santander given that I don't think it's done anything wrong when blocking and then closing his accounts.

So I'm not going to ask Santander to compensate Mr S for any financial loss nor distress and inconvenience this may have caused. I also note that Mr S had some difficulty in getting information regards his blocks and closures from Santander's staff. Given Santander's reasons for its actions, I'm persuaded it did nothing wrong in not giving him an explanation or better information.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 January 2024.

Ketan Nagla
Ombudsman