

The complaint

L has complained that Santander UK Plc (“Santander”) incorrectly placed a block on its account.

L is unhappy that it took so long for Santander to reinstate its access to the account, even though the requested documentation had been provided to Santander.

What happened

A Director of L discovered that L’s business account had been blocked by Santander on 13 January 2023. The Director attended a Santander branch on 14 January 2023, but say they were rudely spoken to by a member of staff who informed them that the department they needed was not available at the time (as it was a Saturday) and told them to get in contact on the next working day.

The Director contacted Santander on the Monday and after providing various documents and being on the phone for a long time, access to the account was reinstated reopened.

In response to the complaint, Santander offered to pay L £250 to apologise for its error and confirmed that the blocks that had been applied to the account had been removed.

Unhappy with the offer, a Director of L referred the complaint to this service. One of our investigators assessed the complaint and they concluded that the amount offered by Santander was reasonable.

L did not agree with the investigator, so asked for the complaint to be referred for an ombudsman’s decision.

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 reviewed everything, I think that the compensation offered by Santander is reasonable. I will explain why.

Firstly, I note that the Director of L said that not only was a block place on L’s account, but a block was also placed on their own personal accounts too. They say this caused them to have to change plans and not be able to buy groceries as well. I’m sorry to hear about this, but I would like to make it clear that this complaint is only in relation to L’s (business) account. This means that I can’t comment on the issues regarding the block placed on the Director’s personal account, or indeed the impact it may’ve had on him, in this decision.

Turning now to this complaint concerning the block that was place on L’s account, I note that it’s not in dispute that Santander had made an error and that the block should not have been placed on L’s account. Therefore, all that is left for me to decide is whether the compensation offered by Santander to apologise for its error is reasonable.

In considering what is a reasonable amount of compensation, I have taken into account factors specific to this complaint. This includes factors such as how long the block was in place, the impact this had on L, and what L had to do to rectify matters.

In the circumstances, I do understand the inconvenience caused to L by this matter. Firstly, I recognise that L did not have access to money in its account whilst the block was in place. I also recognise that it wasn't helpful that the Director of L had to spend an extended amount of time on the phone to Santander on 16 January 2023 before the block on the account was eventually removed from L's account. But I'm also mindful that the block was removed from L's account within a relatively short space of time – with the block first being identified on a Friday, and was then removed the following Monday. It may also help to point out that, as the complainant 'L' in this case is a legal entity, I can't award any compensation for any distress, embarrassment or upset that the Director of L may've experienced when trying to get matters resolved.

So, when weighing everything up, I do think that £250 is reasonable and commensurate with the inconvenience that this matter caused L, based on everything that has been provided in this complaint. I say this bearing in mind what I've already said above about what I'm limited to consider within this complaint.

As such, whilst I recognise that the Director of L will be disappointed by this, I don't think that Santander needs to pay any more compensation than what it has already offered to pay, in relation to this complaint.

Putting things right

To put matters right, Santander UK Plc should pay L £250 compensation for placing a block on L's account in error.

My final decision

Because of the reasons given above, I uphold this complaint and require Santander UK Plc to do what I have outlined above, to put matters right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 30 January 2024.

Thomas White
Ombudsman