

The complaint

Mr F complains Santander treated him unfairly when it temporarily blocked his account.

What happened

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points of the complaint.

In early May 2023 a new account application was received in Mr F's name and Santander received a fraud notification. Mr F's account was blocked on 16 May 2023, and he attended branch the same day with his identification documents.

Mr F attended branch again on 17 May 2023 and Santander maintained the block on Mr F's account whilst it carried out a review. Following its investigation Santander lifted the block on 24 May 2023.

Mr F raised a complaint with Santander about its handling of the issues. Mr F says Santander should compensate him for blocking access to his account and registering a fraud marker against him. Mr F says he is no longer confident in Santander's ability to safeguard his account. Mr F also says he was treated poorly when he attended branch.

Santander reviewed Mr F's concerns and issued a final response letter. It explained the block was applied so it could carry out an investigation into the account and fraudulent activity. It acknowledged the incident would've caused distress and inconvenience to Mr F and offered him £200 compensation.

Mr F remained unhappy and referred his complaint to this service. An Investigator reviewed Mr F's complaint and acknowledged the episode with Santander would've been a source of worry for Mr F. However, they found Santander had acted reasonably in the circumstances and its offer of £200 was fair.

Mr F remained unhappy, so the complaint has been passed to an ombudsman for a final 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.

Firstly, I am sorry to see the issues Mr F has experienced with his Santander account. I can see this has been a source of worry and frustration. Having considered all the evidence, I'm not asking Santander to do anything further, and I'll explain why.

Financial businesses like Santander are subject to a number of legal and regulatory requirements, and information is shared between them and recorded on industry databases such as CIFAS. This means businesses need to monitor customers' accounts and transactions and may need to block or review an account at any time.

Santander says its application fraud team was notified of a CIFAS fraud marker after a new account application was received in Mr F's name. As a result of this information Santander blocked Mr F's account immediately. I appreciate this would've been concerning for Mr F but blocking an account in these circumstances is the most effective way of safeguarding an account whilst a review is conducted.

To record a marker with CIFAS the financial business involved needs to have met the standard of proof laid out by the agency. I won't detail the standards in full here, but the general principle is that the business needs to have sufficient evidence that fraud or financial crime has been committed and that the consumer was a participant in this. They need to have carried out sufficient checks to satisfy themselves this is the case, and the evidence needs to be clear and rigorous.

It's important to highlight that when a CIFAS fraud notification is received a business is under a regulatory obligation to conduct a full review of the details to be satisfied fraud has actually occurred. Mr F was asked to attend branch with his identification documents as part of Santander's checks. I appreciate this would've been inconvenient for Mr F, especially as he had to attend two days in a row, but I think this was an important and necessary step in Santander's review of the account.

Mr F's account was blocked on 16 May 2023, and I can see he was informed it could take up to 15 days for a full review to be completed. Santander has confirmed it completed its review by 24 May 2023 and the block on Mr F's account was lifted. I understand the intervening period would've been a worrying time for Mr F, but I can't see that Santander has caused unnecessary delay here and a seven-day period is reasonable considering the level of investigation required. Santander has also updated the CIFAS marker against Mr F to accurately reflect that Mr F was a victim of impersonation fraud.

I can also see Mr F says he received poor service when he attended branch. In particular a member of staff was rude and he wasn't provided with any clear information. I am sorry to hear of Mr F's experience in branch at what was already a distressing time. Santander has apologised for this and offered Mr F compensation for any poor service he may have received. I can see Mr F doesn't think the compensation award of £200 offered by Santander is enough. Reaching an award for distress and inconvenience is seldom straightforward. The issues involved are subjective by their very nature and the impact on the consumer can be difficult to determine. In the circumstances of Mr F's complaint, a level of inconvenience was inevitable given Mr F was a victim of fraud, and I don't think it would be reasonable to hold Santander entirely responsible for this. However, I do think the £200 fairly compensates Mr F for any poor service he may have received in branch and for the general impact the complaint has had on him.

Mr F has also raised concerns about Santander's ability to protect his account given his negative experience. It is not the role of this Service to scrutinise the security and fraud prevention framework in place at Santander, but I must assure Mr F that businesses such as Santander have clear and direct regulatory obligations, and this includes the requirement to have robust systems in place to detect and prevent fraud. In Mr F's case a full review was carried out, Mr F's records were updated to reflect the events that had occurred, and he was issued with new cards. These are the types of steps we expect a business to take in the circumstances.

I know this will not be the outcome Mr F was hoping for and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Santander to take any further action.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 14 February 2024.

Chandni Green
Ombudsman