

The complaint

Mr T is unhappy with the service he's received from Santander UK Plc surrounding the blocking of transfers he's attempted to make.

What happened

To briefly summarise: Mr T is unhappy that Santander's automated fraud prevention systems flagged high-value transfers that he was trying to make from his Santander account. Mr T is also unhappy with the service he's received from Santander when calling to unblock the requested transfers. So, he raised a complaint.

Santander responded to Mr T and explained that requested transfers can be flagged by their automated fraud prevention systems for a variety of reasons and that transfers can't be pre-authorised as Mr T would like.

However, Santander acknowledged that Mr T had received some poor service surrounding these transfers, including that his security details had incorrectly been removed rather than being reset and regarding the length of time he'd had to spend on the telephone. Santander also acknowledged that Mr T may have lost out on approximately £150 of potential interest because of the late authorisation of his transfers.

Because of this, Santander upheld Mr T's complaint based on the service issues he'd encountered and make payments totalling £400 to him, with £150 of that payment being for the potential missed interest and the remaining £250 being as compensation for the trouble and upset Mr T had incurred. Mr T wasn't satisfied with Santander's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that Santander's response to Mr T's complaint already represented a fair outcome to what had happened. Mr T remained dissatisfied, so the matter was escalated 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.

Fraud prevention systems are used by all financial institutions to flag account activity that may be of concern and to prevent further usage of an account where it's felt that there is a possibility that fraud may be potentially occurring. Indeed, it must be noted that financial institutions such as Santander have an obligation to employ such systems in order to comply with banking regulations which require banks to have systems in place to protect their customers' accounts, as much as possible, from acts of attempted fraud.

Additionally, it's incumbent on banks to employ these systems with a degree of vigilance – to err on the side of caution, as it were – which unfortunately means that there will be instances where legitimately authorised transfers are flagged erroneously by the fraud prevention systems. And I'm satisfied that this is what happened in this instance.

I recognise that Mr T would like Santander to provide a more detailed explanation as to why this was the case. But I wouldn't expect Santander to provide such an explanation here. This is not only because fraud prevention systems are being constantly updated and evolved by financial institutions in response to new information on potential threats, but also because if a bank were to explain to a customer how they could avoid having their attempted transfers flagged by the fraud prevention systems, then this would potentially reduce the effectiveness of those systems and leave them open to manipulation.

Notably, Mr T has complained to Santander about his requested transfers being flagged for further security checks previously. And Santander have confirmed that several options have been offered to Mr T to mitigate against the possibility of his requested transfers being flagged for further checks by their systems. These options include that Mr T could enrol with Santander's voice ID program, which would then allow him to be verified at the level required to make high-value transfers when calling Santander without the need for additional security.

Mr T has made it clear to Santander that he doesn't want to avail of the potentially mitigating options that Santander have presented to him. That is, of course, Mr T's choice. However, given that Mr T is dissatisfied that his requested transfers keep being flagged by Santander's fraud prevention systems for further checks, I would reasonably expect him to take whatever potentially mitigating action he could to prevent this. And I wouldn't consider Santander to be solely accountable for the troubles that Mr T is experiencing if he himself chooses not to avail of the potentially mitigating options that Santander have presented to him.

Ultimately, I'm satisfied that Santander haven't done anything wrong or unfair by flagging the transfers that Mr T has requested for further checks. And this is because I'm satisfied that it's for Santander to set their security protocols – which I don't find to be unreasonable or unusual – and that it's for Mr T to comply with those protocols. And, as explained, I'm satisfied that Santander have provided Mr T with reasonable alternative instruction channels which may mitigate against the issues that Mr T is encountering.

In their responses to Mr T's complaint, Santander acknowledged some service issues that Mr T had encountered. Santander apologised to Mr T for these issues and made payments totalling £400 to him, of which £150 was a reimbursement of potential lost interest Mr T may have incurred because of the late authorisation and release of his transfers, with the remaining £250 being as compensation for the trouble and upset Mr T has experienced.

Santander's response here seems fair to me, and I confirm that it's commensurate with what I might have instructed Santander to have paid to Mr T, had they not already done so. In taking this position, I've considered the impact of these events on Mr T but also that Mr T has chosen not to avail of alternative instruction methods which might have mitigated against what happened. And I've also considered the general framework this service uses when assessing compensation amounts, details of which can be found on this services website.

All of which means that I feel that responses that Santander have issued to Mr T's complaint already represent a fair outcome here. And it follows from this that I won't be upholding this complaint or instructing Santander to take any further or alternative action.

I realise this won't be the outcome Mr T was wanting here. But I hope he'll understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 27 February 2024.

Paul Cooper
Ombudsman