

The complaint

Mr S and Mrs S are unhappy with several aspects of the service they've received from Santander UK Plc surrounding the blocking of payments they wanted to make.

What happened

To briefly summarise: Mr S and Mrs S made a payment of £5,000 from their Santander account to a bank to fund an investment. Mr S and Mrs S then attempted a second payment to the same bank for the same amount, but the payment was blocked by Santander who also applied a block to Mr S and Mrs S's account.

Mr S and Mrs S spoke with Santander about the blocked payment but were unhappy with the questions that Santander expected them to answer for the block to be. And Mr S and Mrs S were also unhappy that a later payment they tried to make to a different bank was also blocked by Santander in similar circumstances. So, they raised a complaint.

Santander responded to Mr S and Mrs S and confirmed that they did employ fraud prevention systems and that the payments in question had been flagged by their system for further checks. Santander acknowledged that Mr S and Mrs S had been inconvenienced by what had happened, including regarding what Mr S and Mrs S had to do to remove the block applied to their account by their fraud prevention system, but felt that such inconvenience was unfortunately necessary. Mr S and Mrs S weren't satisfied with Santander's response, so they referred their complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Santander had acted unfairly in how they'd managed the situation, so didn't uphold the complaint. Mr S and Mrs S 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.

Mr S and Mrs S have said that they're also unhappy that a response that Santander sent to a prior complaint that they'd raised – which was dated 16 May 2023 by Santander – wasn't received by them until 12 June 2023. And Mr S and Mrs S are also unhappy that Santander don't have any record of receiving a letter sent by Mr S and Mrs S shortly after receiving the delayed letter on 12 June 2023, wherein they discussed their ongoing prior complaint.

This aspect of Mr S and Mrs S's complaint appears to relate to how Santander have handled their prior complaint (that Santander didn't respond to Mr S and Mrs S's ongoing correspondence with Santander's complaint team). However, as per the Dispute Resolution (DISP) section of the Financial Conduct Authority (FCA) Handbook, it isn't within the remit of this service to consider points of complaint about how a business has handled a complaint. And this is the case even when the subject of a complaint is about a regulated financial matter. Accordingly, I won't be considering these aspects of Mr S and Mrs S's complaint.

Additionally, speaking generally, this service also wouldn't consider a business responsible or accountable for the late delivery or non-delivery of correctly addressed mail. And this is because the delivery of mail is undertaken by a postal service and so isn't something which a business such as Santander has any direct control.

Mr S and Mrs S have noted that the events surrounding the blocked payments are entirely separate from their dissatisfaction about Santander's correspondence regarding their earlier complaint. And it is to these events – which it is within my remit to consider – that I now turn.

Santander have confirmed that, in both instances where Mr S and Mrs S had attempted payments that were blocked, the payments were flagged by their fraud prevention system. Fraud prevention systems are used by 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 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 S and Mrs S 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 because fraud prevention systems are being constantly updated and evolved by financial institutions in response to new information on potential threats. And it's 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.

Mr S and Mrs S are also unhappy with the nature of the call they had with Santander when they tried to verify one of the blocked payments and felt that their level of questioning they were subject to was interrogatory and unreasonable. However, I've listened to a recording of the phone call in question, and I don't feel that Santander did ask Mr S and Mrs S unreasonable questions for them to be satisfied that the payment should be unblocked. And I don't feel that the tone of the questioning was interrogatory as Mr S and Mrs S contend.

I feel that it must be remembered that, ultimately, banks such as Santander design their fraud prevention processes with the safety and security of their customers account in mind and have regulatory obligations to do so. Because of this, I feel it was for Santander to decide what information it needed from Mr S and Mrs S before it was satisfied that Mr S and Mrs S's account should be unblocked and the payment released. And I feel that the Santander agent with whom Mr S and Mrs S spoke conducted the conversation in a manner that fairly corresponded with Santander's reasonable requirements in this regard.

Mr S and Mrs S are also unhappy that on one occasion, while they were speaking to Santander about a blocked payment on a mobile phone, another Santander agent called them about the same issue on their landline phone. I can appreciate how this may have been confusing for Mr S and Mrs S. And while Santander have no record of making the call to Mr S and Mrs S on their landline phone number about which they're unhappy, it seems likely to me that the caller was genuinely from Santander. That being the case, it also seems that Santander's intention in making the call was to assist Mr S and Mrs S, and I don't feel that Santander should fairly or reasonably be censured for attempting to provide such help.

Finally, Mr S and Mrs S note that one of Santander's agents explained that payments may have been blocked because Mr S and Mrs S had a relatively low daily payment limit on their account. But Santander have confirmed that the payments were blocked because they were flagged by their fraud prevention systems, which as explained, I don't find to be unreasonable. And I feel that the fact that the payments were blocked by the fraud prevention system is demonstrated by the fact that Mr S and Mrs S had a payment blocked after they increased the daily payment limit on their account.

All of which isn't to say that Mr S and Mrs S haven't been inconvenienced by what's happened here, and I readily accept that they have been inconvenienced. But it is to say that I feel that the inconvenience that Mr S and Mrs S have experienced is an unfortunately necessary consequence of modern banking practices and the obligations on Santander to have systems and processes in place to protect their account holders' money. Because of this, while I accept that what happened to Mr S and Mrs S was unfortunate, I don't feel that it was unfair. And it follows from this that I won't be upholding this complaint.

I realise this won't be the outcome that Mr S and Mrs S were wating. But I hope they'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 S and Mrs S to accept or reject my decision before 20 March 2024.

Paul Cooper
Ombudsman