

The complaint

Mr T, trading as T complains that Santander UK Plc blocked his business bank account for several months.

What happened

In August 2022, Mr T contacted Santander after a retailer declined his payment method. Mr T says he contacted Santander again in September 2022 after his phone was cut off as direct debits had been cancelled. Mr T says he made further calls to Santander in November 2022 but couldn't get help.

Mr T says that he relied on funds in another account for months until he contacted Santander in March 2023. Santander asked Mr T to send documentation to a branch in the UK which he did.

Mr T did not hear back so contacted Santander again in June and then July 2023. Mr T says he was left without money to pay his rent.

Santander explained that Mr T's account had been suspended as he had not replied to a letter that it had sent to his address in the UK requesting further information. Santander asked Mr T to respond to a link but Mr T says this link did not work so he sent a formal complaint to Santander and contacted the Financial Ombudsman Service for help.

Mr T told us that he had made a substantial number of calls from abroad to Santander and that he found the experience very distressing at a time when he has also been dealing with bereavement.

In its final response, Santander apologised for its data error, explaining that it held three separate profiles for Mr T which needed to be merged and updated. Santander paid Mr T £250 to apologise.

When our investigator first considered Mr T's complaint, he thought Santander's offer was reasonable, particularly as Mr T didn't update his address before leaving the UK. However, after reconsidering things, our investigator thought that Mr T's complaint should be upheld. This was because the multiple profiles may have affected Mr T passing security when he called Santander. Our investigator recommended that Santander pay Mr T £400 compensation to include the £250 already offered.

Mr T disagrees with the investigation outcome. He does not think £400 reflects the impact the mistake has had on him. Mr T doesn't think our investigator has grasped the level of distress caused at a time when he was dealing with the loss of his child. Mr T says that six months into the saga with Santander he was at his wits end and was lucky to find support from a professional who let him pay later. Mr T suggests that £2,000 compensation would be fair.

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.

I am sorry to hear about the difficulties that Mr T faced after his account was blocked. I understand that this all came at a time of great personal loss to Mr T which clearly made things worse.

I realise that I have summarised Mr T's complaint in less detail than the parties and I have done so using my own words. The rules that govern this service allow me to do so. But this does not mean I have not considered everything that both parties have given to me.

Santander does not have any record of Mr T updating his address until he complained in July 2023. So, it was reasonable for Santander to write to Mr T at the address it held on file. As Mr T didn't respond to letters that Santander sent in August 2022, it restricted his bank account. I don't think Santander acted unfairly when it did this.

Although Mr T says he made several calls to Santander in 2022, Santander does not hold records of all of these. Santander does have a record of Mr T asking for a call back in early October 2022 as his phone had been cut off. Santander's records indicate that it contacted Mr T the next day to explain what information he would need to supply but it doesn't have any record of receiving this. This makes it difficult for me to find that Santander was at fault for not doing more than it did by this point.

The next record which Santander has of Mr T making contact is from mid-March 2023. I have listened to some of the call recordings from March 2023. Mr T explains that he is having difficulties accessing his online banking. After giving his bank account details and earlier address in the UK, Santander's attempts to take Mr T through security are unsuccessful.

During another call on the same day, Mr T tried to pass security again. He said he wanted to change his phone number. After Mr T did not pass security, Santander told him he would need to visit a branch to supply identification. Mr T asked whether it was possible to visit a branch close to his current address but unfortunately, when the member of staff returned to the call with, Mr T was no longer on the line.

I agree that by incorrectly setting up multiple customer profiles, Santander contributed to the problems that Mr T faced – particularly when trying to pass security. Mr T spent more time than he otherwise should have needed to spend trying to get access to his account. And I think Santander could have been more helpful than it was when Mr T wanted to access his account online. However, from listening to the calls in March 2023, I can't hear Mr T explain to Santander that he was struggling financially due to not being able to access his bank account. I understand the point that Mr T made to our investigator that his personal circumstances meant he could not be expected to deal with Santander in the same way it should have responded to him. But I am also not persuaded that Santander was aware of the gravity of the situation until later in 2023 – after which time it amended the profiles and unblocked the account.

I am sorry to disappoint Mr T but overall, I consider the investigator's suggestion of a compensation award totalling £400 for the upset and inconvenience caused is fair. It sits within the range of an award we might make where the mistake has caused considerable distress and inconvenience which has taken a lot of effort to resolve. Our approach to awards like this is on our website.

Putting things right

To put things right, Santander should pay Mr T £400 compensation. For the avoidance of doubt, this includes the £250 already paid by Santander. So, if Mr T accepts my final decision, Santander will need to pay him a further £150.

My final decision

My final decision is that I uphold this complaint. In full and final settlement, I require Santander UK Plc to put things right in line with the directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 February 2024.

Gemma Bowen
Ombudsman