

The complaint

Ms G complains that Santander UK Plc do not have efficient security controls in place.

What happened

Ms G says that making a transfer with Santander is a nightmare as their software does not recognise existing accounts as safe to send funds to, and they have blocked attempted transactions from her. She says this results in her money earning no interest for days at a time. Ms G says she spoke to Santander on numerous occasions on 13 October 2023 and they disconnected the phone line resulting in her having to ring them again. Ms G says she has been transferred to an incorrect department also. She says Santander insist on calling her mobile, even though she hasn't registered for telephone banking. Ms G says she was told she would get a call back, but she didn't get one. It was only on 17 October 2023 that her account became unblocked, after she spoke to Santander several times that day. Ms G made a complaint to Santander.

Santander did not uphold Ms G's complaint. They said that there was no error in blocking the attempted payment on 13 October 2023. They said they looked into her password/passcode issue and in August 2020 they added this to their alerts system, but this had a time span of one year, so it had dropped off their system in August 2021. Santander said since then they have added a new facility of customer care notes, which would flash when her profile is accessed and there is an option of no end date. Santander confirmed they added this customer care note on 13 August 2023. Ms G brought her complaint to our service.

After Ms G brought her complaint to our service, Santander offered Ms G £100 compensation. They told us that it would have been possible to set a later date when the alert was added, and this would have prevented the note from disappearing from their records.

Our investigator said he thought the £100 offer was fair. He said from listening to the call recordings which took place on 13 October 2023, he couldn't fairly say the call handlers were rude to Ms G. But Santander have since identified a banking error which centres around the password/passcode Ms G set up when she receives calls from them.

Ms G asked for an ombudsman to review her complaint. She made a number of points. In summary, she told us about a new issue with her Santander account relating to an account closure elsewhere, Santander have failed to invest in sufficient security measures, and they insist they must call her on a mobile phone. She says the security questions they ask are ridiculous. Ms G said that call handlers she has spoken to have been rude.

Ms G also says that the security password/passcode she has put on her account has not been appropriately used by Santander. She said she can't contact Santander securely online as the chat system is automated and there is no messaging service so she can't submit a written complaint to them.

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.

Ms G has made a number of points to this service, and I've considered and read everything she's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

Ms G has raised new complaint points that weren't part of the complaint that she brought to our service that Santander haven't addressed in their final response letter dated 18 October 2023. These issues include her more recent blocks when she closed a third party account, that Santander aren't appropriately using the security password/passcode she put on her account and that their chat system is automated and there is no messaging service, so she can't submit a written complaint to them. Ms G will need to complain about these issues directly to Santander to give them the opportunity to respond to these complaint points first. If she is unhappy with their response, then she may be able to bring the new complaint to our service.

I'd like to explain to Ms G that it is not within this service's remit to tell a business how they should run their security procedures, such as when to block attempted payments, what software they should invest in (or when they should upgrade their security systems), how they choose to contact her, or what questions they ask. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Santander to make changes to their policies and procedures, if necessary.

Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent fraudulent transactions. Sometimes they identify and block legitimate payments that a customer wants to take place. This can cause distress and inconvenience to a customer – but it doesn't necessarily mean they have acted incorrectly.

I've looked at the terms and conditions which were in place at the time of the block to see if these reference Santander being able to block a payment or services to Ms G. Section five of the terms show that they may not make a payment for Ms G in certain instances, such as if they reasonably believe the instruction has not come from Ms G or they're acting reasonably to protect against or reduce the risk of scams, fraud or other criminal activity. Here, Santander had concerns about the payment, so they acted in line with the terms, and they didn't make the payment.

So I'm satisfied that they were fair to block the payment based on the reasons given in this section of the terms. Although Ms G has said the payment was to another account she had, I would expect Santander to have controls in place to check every single payment made, so I can't say they've made an error here.

I've listened to the call recordings that are available that Ms G had with Santander on 13 October and 17 October 2023. Ms G rings Santander about a blocked payment she tried to make. The call handler tries to take Ms G through security, but Ms G tells the call handler to "shut up" at one point, which leads the call handler to disconnect the call.

On another call Ms G is told by a Santander call handler that there is no block on her online account, and she is transferred to another department for further assistance. But the call handler failed to realise that there was a payment blocked. The next call handler explains that as part of their process they need to call Ms G's registered mobile number, but Ms G explains she is driving and doesn't have access to that phone. Ms G gives her another mobile number. But this isn't on Santander's system, so the call handler was unable to ring

back on the other number, so it was agreed she would call back in an hour, when Ms G returned home.

Ms G may wish to add/update her telephone number with Santander to a more appropriate telephone number, or, if this is not an appropriate method of contact for her (as she's mentioned her disability), then she may want to inform Santander of this, and see what reasonable adjustment they can make for her.

When the call handler rings back, she says she is ringing from the bank (she doesn't say Santander). But the call handler is unable to let Ms G know the password/passcode, which is distressing for Ms G. Ms G tells the call handler she is terminating the call and she expects a call back within an hour. But the call handler did not agree to call her back, and she didn't have access to the password/passcode.

Ms G spoke with Santander later that day and a customer support note was added to her customer page to alert call handlers calling Ms G to use a certain passcode, to verify that they are who they say they are. The block on the payment was removed on 17 October 2023.

While it's clear the frustration Ms G had on the phone with the calls that I listened to, I'm not persuaded that any of the staff on the calls I listened to were rude to her. Although calls had been disconnected, these were disconnected as either Ms G had told the staff to "shut up", or she had disconnected the call. So I can't say that the staff's actions were unreasonable here, albeit they could have given Ms G a warning before they disconnected the call.

But there were instances where Santander let Ms G down. One of the call handlers failed to realise there was a payment block and transferred Ms G to another department, which would have inconvenienced her. And if they would have set a longer expiry date on the alert they put on their system years earlier, then the call handler could have told Ms G the password/passcode. So it may have been possible for the block to be removed on 13 October 2023, instead of 17 October 2023.

Santander offered Ms G £100 compensation for distress and inconvenience for what happened here. I'm satisfied that this is proportionate for the poor service they provided Ms G. It is in line with our awards, and if Santander had not offered her this, then I would have recommended Santander paid Ms G £100 for their customer service failings here. So it follows Santander should put things right for Ms G.

Putting things right

Santander have offered £100 compensation for distress and inconvenience to Ms G, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint in part. Santander UK Plc should pay Ms G £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 9 April 2024.

Gregory Sloanes
Ombudsman