

The complaint

Mr V complains about the service he received from Santander UK Plc (“Santander”) when it applied a block to his account following an attempt by him to make an international transfer. Mr V believes that the time the block has been applied to his account and for the payment to be investigated to be excessive and unreasonable and that Santander’s actions are disproportionate considering it was a one-off payment.

What happened

On 2 September Mr V attempted to make an international payment for £3,530.33 from his account with Santander. Mr V says the payment was to a friend to cover medical bills overseas. The payment was stopped and flagged by Santander’s fraud detection and prevention systems for additional checks due to scam concerns. Following conversations about the payment Santander had with Mr V an investigation was raised as Santander was concerned he maybe the victim of a common scam known to it and a block was applied to Mr V’s account.

Santander requested documentation about the payment which Mr V says he sent in on 25 September. Mr V provided information and reasons why he wanted to complete the transfer but Santander wasn’t satisfied with this or prepared to release the funds until the investigation was completed. Following this Mr V attempted to close his accounts but wasn’t able to do so until Santander’s investigation was complete.

The transaction was reviewed by one of Santander’s investigators on 2 November but they still had scam concerns and weren’t willing to lift the block on Mr V’s accounts with it until Mr V alleviated these concerns or realised the payment he was trying to make was a scam.

Mr V complained to Santander. Santander says the blocks were applied correctly and would remain on the account until its investigation was completed but apologised for the time taken for the payment to be reviewed and that Mr V wasn’t informed that the block on the account would affect him closing his account. In recognition of the inconvenience caused Santander credited Mr V’s account with £250.

Mr V was dissatisfied with this and brought his complaint to this service.

One of our investigators looked into Mr V’s concerns but didn’t think Santander had treated Mr V unfairly or had made an error in applying the block as it has a duty of care to safeguard its customers money and the account terms and conditions allowed Santander to do this. And as Santander had already paid Mr V £250 for the distress and inconvenience caused by not telling him that his other accounts had been blocked or how long the investigation would be, they didn’t think Santander needed to do anything more.

Mr V wishes to close his account and transfer his money elsewhere. Santander have advised that a stop remains on the account but if Mr V wants to access the funds and close his account, he can call it or visit a branch where it will arrange for the balance to be transferred to an account in his name and the account can be closed.

Mr V still believes Santander's actions to be disproportionate and has asked for an ombudsman's 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.

My role is to look at problems that Mr V has experienced and see if Santander has made a mistake or done something wrong. If it has, we seek to put - if possible - him back in the position he would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

It might be helpful for me to say here that, I don't have the power to tell Santander how it needs to run its business and I can't make Santander change its systems or processes – such as how or when payments are processed or held for fraud prevention. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures Santander needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

That said I don't think it was unreasonable for it to have systems in place – in this case carrying out checks on outgoing payments that meet certain criteria for fraud prevention - to ensure the transactions are legitimate and it meets its regulatory requirements. As I'm sure Mr V understands this is needed not only to protect businesses against criminal activity, but also their customers.

Furthermore, I don't think Santander has acted unfairly or did anything wrong in applying a block to Mr V's account while it carried out an investigation when it wasn't satisfied with the initial information Mr V provided about the payment because it still had - what I think - are legitimate concerns about the payment he was trying to make. From the information I've seen the type of payment Mr V was trying to make looked like it was of a known scam to Santander, Mr V wasn't able to provide satisfactory proof of the payment nor could he say who he was sending the money to and the information he'd provided wasn't consistent.

I appreciate Mr V has been both distressed and inconvenienced by this, but the actions Santander took is allowed under its terms and conditions and is in-line with its regulatory obligations and ultimately, it took this action to protect Mr V's interests, so I don't think Santander have acted unreasonably or treated Mr V unfairly here.

However, Santander has agreed there was a failing on its part in that it didn't inform him how long the investigation would last or that he wouldn't be able to close his account during this period. But Santander has already compensated Mr V £250 for this which I think is fair and as Santander have now advised that Mr V can close his accounts by having his money transferred to another account in his name, I don't think there is anything more Santander needs to do.

My final decision

For the reasons I've explained, I've decided not to uphold Mr V's complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 17 May 2024.

Caroline Davies
Ombudsman