

The complaint

Mrs F complains about the service provided by Santander UK Plc when carrying out a Know Your Customer review.

What happened

Mrs F held a number of accounts with Santander, including a current account. Mrs F lives outside of the UK. On 12 September 2023 Santander wrote to Mrs F to advise it was completing a Know Your Customer (KYC) review as part of its compliance obligations. Santander's letter asked Mrs F to supply documents to satisfy its KYC requirements, including identification and address evidence. Santander also attempted to call Mrs K on 12, 13 and 14 September 2023.

On 15 September 2023 Santander spoke with Mrs F to discuss the review and requested documents. Instructions on how to submit documents were provided. In the days that followed, Mrs F supplied documents to Santander but some were rejected. Santander explained it couldn't accept handwritten addresses and some of the documents provided were outside of the date range requested. By 25 September 2023 Mrs F had submitted various documents but Santander recorded it still required proof of her address from the last three months.

Santander says it attempted to call Mrs F on 10 October 2023 but wasn't able to speak with her. As the required documents hadn't been provided, Santander applied an account block. On 12 October 2023 Mrs F's card was declined in a shop and she contacted Santander and was advised her account had been blocked. Santander says it attempted to contact Mrs F on various occasions in the following days without success. On 18 October 2023 Mrs F's husband called Santander on her behalf but it was unable to discuss her account with him. Santander says it spoke with Mrs F later in the day and confirmed the outstanding information.

Mrs F was able to forward acceptable documents to Santander on 18 October 2023. Santander completed its KYC review and removed the account blocks.

Mrs F complained and Santander issued a final response on 31 October 2023. Santander said it completed the KYC review in line with its regulatory obligations and contacted Mrs F to provide the required information. In another final response issued on 3 November 2023 Santander said it had been unable to identify any mistakes but paid Mrs F £50 as a gesture of goodwill.

The complaint was referred to the Financial Ombudsman Service and passed to an investigator. During the investigation, Santander contacted Mrs F and advised it intended to close her accounts and end the banking relationship.

The investigator thought Santander could've communicated with Mrs F more efficiently during the KYC review process and asked it to pay her phone costs of £240 and £200 for the distress and inconvenience caused. Santander responded to say it was willing to pay Mrs F £200 for the inconvenience caused but didn't agree to cover international call costs. The

case was then escalated for an ombudsman's decision. On 8 April 2024 our investigator forwarded copies of Mrs F's phone bills to Santander for comment but no response has been received.

As Santander didn't agree to settle in line with the investigator's recommendation and no further comment has been received, Mrs F's case has been passed to me to make a 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I can understand why Mrs F was upset and concerned that her account was blocked by Santander. Mrs F has explained she needed access to the funds in her Santander account in case of an emergency. And it's clearly disruptive to have an account unexpectedly blocked. But I have to be fair to both parties. And I can see Mrs F was in discussion with Santander about its KYC review going back to mid September 2023. Santander provided details of the documents required but they weren't supplied in the first instance. I've reviewed the documents Mrs F sent Santander. Some were out of the date range required whilst others were simply not on Santander's acceptable list. I can see that Santander attempted to call Mrs F on various occasions to discuss the review before applying the account block. But Mrs F lives abroad and it appears her UK phone number wasn't always available.

Once the relevant documents were provided and verified by Santander it removed the account block. I'm satisfied Santander was obliged to complete a KYC review and needed up to date documents from Mrs F. So I'm unable to agree it acted unfairly by applying the account blocks when information remained outstanding for an extended period.

I agree with the investigator that Santander should've taken Mrs F's communication preferences and location into account when dealing with her. Mrs F's preference for web mail wasn't followed and Santander instead relied on post and phone calls to speak with her. As a result, because Mrs F was making and receiving expensive phone calls from abroad, she incurred a considerable cost when completing the KYC review. I'm satisfied Santander could've tailored its communications to suit Mrs F which would've meant substantially lower call costs would've been incurred. So I think the investigator's recommendation that Santander covers Mrs F's call costs is reasonable.

I also think the situation could've been handled more sensitively by Santander and I'm satisfied an unreasonable level of inconvenience was caused to Mrs F by the way the KYC review was conducted. So I also think a payment of £200 to reflect the level of distress and inconvenience caused is fair and reasonable in the circumstances.

My final decision

My decision is that I uphold Mrs F's complaint and direct Santander UK Plc to settle as follows:

- Pay £200 for the distress and inconvenience caused (less any compensation already paid)
- Pay £240 to reflect Mrs F's call costs plus 8% interest from the date paid to the date of settlement (Santander has the relevant phone bills)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 16 May 2024.

Marco Manente
Ombudsman