

The complaint

Mr S complains that Santander UK Plc unreasonably restricted his account.

What happened

Mr S was a longstanding customer of Santander. In April 2023 he wanted to make a payment to his girlfriend, who lives overseas. Santander was concerned about the payment Mr S wanted to make, they thought he might be the victim of a romance scam, so they declined to process the payment. Instead, Mr S made the payment using his card via a third party. Santander then blocked Mr S's account as they were concerned he would make more payments to what they believed could be a scam.

Mr S discussed his circumstances with Santander in May 2023 and was insistent that he was not being scammed. He said that he had been in a relationship with his girlfriend for 15 years, but had not seen her in person for around 5 years as she lived overseas and travel had been impacted by the Covid pandemic and political unrest in her country. Mr S provided a photo of him with his girlfriend, other photos of her and her family, and evidence of the numerous phone calls he had had with her since at least December 2022. Santander was not satisfied that this evidence was enough to show that the person Mr S was sending money to was who they said they were, so the block remained on his account.

Mr S spoke with Santander again in July 2023. In this call Santander said it wanted proof that the woman in the photo with Mr S was the person he was currently speaking to. They asked for a copy of her passport, a photo of her standing near a road sign in her country, or potentially proof of a video call between Mr S and the woman in question. Mr S declined to provide this evidence, he says his girlfriend was very unwell after surgery – the money he had sent her was to help pay for this surgery – he did not consider it was reasonable for Santander to insist on this evidence.

During this period Mr S had referred his complaint to our service, and one of our Investigator's looked into what had happened. They felt that Mr S had provided adequate evidence to Santander that he was most likely not the victim of a romance scam, so they felt it was unreasonable for his account to have been blocked for an extended period of time – which had meant Mr S needed to go to his local branch in order to withdraw money or make payments – so the Investigator recommended Santander pay Mr S £500 compensation for the distress and inconvenience caused.

Santander disagreed with the Investigator's findings, it maintained that there were aspects of Mr S's relationship that were of concern and that it had been awaiting further evidence from Mr S which is why it had not proactively escalated its concerns – by invoking the Banking Protocol for example (in which case Mr S could be required to discuss his situation with the police to confirm he was not being scammed).

Our Investigator remained of the view that Santander had allowed the situation to stagnate, they felt Mr S had made it clear in July that he would not be providing the specific evidence asked for, and so felt Santander should have taken steps at that time to proactively move

things forward. Santander maintained that it was Mr S's unwillingness to provide evidence that had caused the delay.

In February 2024 Mr S was able to provide a screenshot of a video call with his girlfriend, and Santander confirmed it was satisfied this showed the same woman as in the photo Mr S had sent of him and his girlfriend. With this new evidence they were satisfied he was legitimately sending funds to his long-time girlfriend, and they unblocked his account.

Mr S says he would like an apology from Santander for the inconvenience and stress caused to him. Santander has offered to write to him to explain why it felt it had to add the block to his account, but Mr S does not feel that resolves his concerns, he also considers compensation is warranted for the impact these events have had on him. Santander maintains it has not made any error in how it has handled things.

As no agreement can be reached, this case has been passed to me for review.

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.

Having done so, I've reached the same outcome as our Investigator and for largely the same reasons.

Generally speaking, Santander should process the payments Mr S instructs it to make without delay. However, banks and building societies also have longstanding obligations to be alert to instances of fraud and scams and to act in their customer's best interests. And, if they have good grounds to suspect that their customer is in the process of being scammed, they can refuse to process a payment to try to protect them.

I can understand why Santander had concerns based on the information available at the time of the payment. Mr A was making a large payment, to someone overseas that he said he had not seen in person for many years, and there were hallmarks of what was happening that would have flagged to Santander as being potentially indicative of a scam. So, I don't think its initial decision to refuse the payment instruction or to block the account was unreasonable in these circumstances. I believe the initial decisions Santander took, were made in good faith and in an effort to protect Mr S against losing his money to a potential scam.

However, once an impasse was reached regarding the evidence Santander said it wanted to unblock the account, it did have other options available to it – from invoking the Banking Protocol to taking the decision to issue notice to close the account – and it did not take those steps. I appreciate that Santander says it believed Mr S would be providing further evidence, but I don't think that was clear from the call Mr S had with it in July. And, even if that was the case, when no evidence was provided within a reasonable period of time, I don't think that Santander then essentially just allowing the impasse to continue for many months was a reasonable course of action.

I consider that, by failing to proactively progress things in any way, Santander did contribute to Mr S being prevented from easily accessing his funds for an extended period of time. This meant that Mr S had to repeatedly visit a branch – when he was not in the best of health – in order to carry out day to day transactions such as cash withdrawals and bill payments.

With this in mind, I'm satisfied that, in the circumstances of this complaint, Nationwide didn't treat Mr S fairly. And so I think it should reasonably take steps to compensate him for the

distress and inconvenience caused. I understand that Mr S has said he would like a written apology, but an apology that a business is forced to make is not always genuine, so I don't see the value in this, and I won't be requiring Santander to send a written apology. I can though direct Santander to pay Mr S monetary compensation for the distress and inconvenience caused to him by having restricted access to his account for an extended period of time. Our Investigator recommended compensation of £500 and, in the circumstances of this complaint I consider that to be a reasonable amount.

Putting things right

To resolve this complaint Santander should pay Mr S £500.

My final decision

I uphold this complaint. Santander UK Plc should put things right in the way I've set out above.

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

Sophie Mitchell
Ombudsman