

## **The complaint**

Mr complains with Mrs M's consent that he and Mrs M were unreasonably subjected to money laundering checks by Santander UK Plc ("Santander"). In particular, Mr M is unhappy about Santander's procedures regarding this, the retention of their personal information and that they weren't given an explanation as to why they were targeted or told when the process was complete.

## **What happened**

On 29 March Mr M received a call from Santander asking him to provide proof of identity. Mr M was suspicious and asked the request to be put in writing. Santander sent a letter the same day regarding this which Mr M says he didn't receive until 5 April.

Mr M received another call the following day on 30 March and again told Santander to put the request in writing. The same day Santander sent a letter to Mrs M regarding her joint account with Mr M and requesting they supply identity documents within 14 days or their account would be restricted.

On 31 March Mr M received a text informing him Santander had been trying to contact him and that if he didn't respond his account would be restricted from 12 April.

Following this Mr M called Santander and raised a complaint about being called a second time when he hadn't yet even received the request in writing and the nature of the text message to which he found threatening. Santander's advisor confirmed the calls were genuine and an appointment was agreed for 6 April so the identity documentation could be discussed.

Santander called Mr M as agreed and requested they provide identity documentation including photo ID and proof of address. Santander also requested information regarding savings and investment accounts and proof of property ownership. Mr M was unhappy with this, he felt the information requested was unwarranted and an intrusion into their personal and confidential matters. Mr M was informed that if they failed to provide the requested information by 12 April their account would be restricted. So Mr M provided the required information. The advisor asked some further questions regarding payments in and out of their accounts which Mr M also answered.

Following the call Mr M received an email asking him to upload information regarding the assets discussed and ID. Mr M did as instructed and received an automated response saying "We're now processing this information and will be in contact with you soon".

Outside of Mr M's complaint Mr and Mrs M didn't receive any further communication from Santander regarding this.

Mr M complained to Santander about this on 21 April. He was unhappy with the way Santander had treated them though the process and wanted an apology and confirmation the unwarranted personal documentation provided would be destroyed.

Santander responded on 12 May and explained that it was required by the FCA and to comply with law and regulations it needed to conduct ongoing customer due diligence measures including reviewing existing records to keep documents and information up to date, and monitoring transactions to obtain necessary information regarding how wealth has been accumulated. Santander said it was unable to confirm the specific reason as to what triggered the calls and that the information obtained will be kept as long as necessary.

Mr M was dissatisfied with this and raised a further complaint on 24 May. In particular, he complained that Santander had failed to confirm what triggered the check and that it hadn't confirmed whether the due diligence had completed or clarified how long the information he provided would be kept.

Santander called Mr M on 31 May and apologised for the fact his questions hadn't been answered and said he would get a written response. Despite chasing Santander on this Mr M finally received a response (Santander's final response) on 3 July.

Santander confirmed again that the checks were carried out in line with UK banking regulations but didn't confirm what triggered the check stating they were often triggered by unusual movement on the account or to ensure the information it holds is correct and up to date.

Santander apologised regarding the impact of the calls and text received by Mr M and the strict timeframe he was given in which to supply the information as well as that he felt targeted as a potential money launderer. Santander confirmed that its records showed that the information received is complete with no further action and that it is a legal requirement for it to keep information for 6 years, but it doesn't keep information longer than it needs to.

Mr M was dissatisfied with this and brought a complaint to this service. Mrs M's consent was sought and agreed as the matter involved their joint account.

One of our investigator's looked into Mr M's concerns and although they had some sympathy for Mr and Mrs M, reached the conclusion that Santander has a duty to ensure information it holds on its customers is correct so couldn't say it did anything wrong in following regulatory requirements. Nor had it done anything wrong in retaining the information supplied as the account terms and conditions allowed for this. They agreed that there were some things Santander could've done better, but overall thought it had acted reasonably and fairly and that it didn't need to take further action.

Mr M disagreed, he says it was unfair to put someone through its money laundering process when the answers to the questions were already in its domain. Furthermore, he believes Santander lied when it said it didn't know what event triggered its money laundering procedure and he received information showing that "This is a special sanctions case" asked for an ombudsman's decision.

I issued my provisional decision on 11 March 2024. In my provisional decision, I explained why I was proposing to uphold Mr M's complaint against Santander. I invited both parties to let me have any further submissions before I reached a final decision. Santander have accepted my provisional decision and while Mr M has provided further comments regarding Santander misleading him over the reasons the money laundering process was triggered and the request and retention of personal information, overall, he hasn't provided any new material information that hasn't already been considered.

Mr M also wishes to make it clear that although Mrs M has been impacted by Santander's actions and provided her consent for this service to consider this complaint, it is he who submitted the complaint and concerns his own interactions with Santander.

## 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.

The crux of this complaint is that Mr and Mrs M were unreasonably targeted for a money laundering check and Santander's procedures regarding this.

In my provisional decision I said that:

*"...as we are not the regulator, 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 when its systems trigger due diligence checks or how they are carried out. This is simply not something I can 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 that trigger due diligence checks from time to time on customers when certain criteria is met in order to meet its regulatory requirements. As I'm sure Mr and Mrs M understand this is needed not only to protect the banks against criminal activity, but also their customers.*

*And although I appreciate both the calls and text messages Mr M received understandably caused some alarm, I don't think Santander has acted unfairly or did anything wrong in taking this action when its systems triggered a due diligence check as it was done in-line with regulatory requirements, and I think it was the circumstances which mainly caused the upset rather than Santander's actions.*

*I understand Mr M having some concerns regarding the authenticity of the call and why he asked that Santander put the request in writing and was upset at receiving a second call and text message about it. But Santander sent a letter the same day as requested and Santander has explained that the calls were automated as part of its processes so couldn't be stopped. Given the need for a timely response to avoid any account restrictions being applied - I don't think these communications or alerts were unreasonable.*

*Nor do I think Santander have been unreasonable in the information it asked for. I appreciate as Mr M says – Santander already held much of the information – it still needed to check the information was correct or look for any inconsistencies. I don't think there is any harm in it streamlining a process to get confirmation of the information it needs to satisfy the checks it is required to make.*

*Mr and Mrs M are unhappy Santander hasn't clarified how long it will retain the personal information provided - just that it won't hold the information longer than necessary. But as has already explained, it's difficult for Santander to know how long it might need the information and the terms and conditions of the account allow it to retain this data in accordance with legal and regulatory requirements. So I can't say Santander has treated Mr and Mrs M unfairly here or done anything wrong.*

*I also understand why Mr and Mrs M want to know what triggered the check. But Santander are under no obligation to say what triggered it. Indeed, I wouldn't expect it to offer this information as it could reveal ways that customers could circumvent such checks.*

*I also don't agree that Santander lied to Mr M about being unable to confirm what triggered the check. Anything within Santander's systems could've triggered the check. I don't think it*

*unreasonable if it couldn't confirm exactly what within a combination of criteria met activated the check.*

*So overall I don't think Santander has treated Mr and Mrs M unreasonably when its systems triggered a due diligence check or in the processes it followed when carrying this out.*

*However, I do think it could've done some things better. I think most would accept sometimes one has to deal with personal administrative matters that crop up and there's no doubt this causes some inconvenience. On being notified that Santander needed Mr and Mrs M to provide ID and other documentation and information – they were upset, alarmed and inconvenienced, but nevertheless duly did what was asked. But on doing so I think Santander failed to meet the expectations it had set and confirm to Mr and Mrs M that they had done all they needed to do.*

*Given how Santander had communicated the urgency of the matter and the consequences of not providing what was required – such as restrictions being applied to their account – I don't think it unreasonable that Santander confirm they had done what was requested. Especially as Mr M had made Santander aware how upset he was by all of this.*

*But it didn't do this – it merely sent an automated message saying, "We're now processing this information and will be in contact with you soon". And then failed to let them know the check was complete or if anything further was required. Leaving Mr and Mrs M anxious about whether they had done enough and if their account would be restricted. I don't think this is good enough and so I'm currently minded to uphold Mr and Mrs M's complaint on this basis and award them £100 compensation for the distress and inconvenience caused by Santander's failing to keep Mr and Mrs M updated."*

As Santander has already accepted my provisional decision and Mr M nor Mrs M have provided any new information that would make a material difference to my findings, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint and direct Santander to pay Mr and Mrs M £100 compensation for the distress and inconvenience caused.

### **My final decision**

For the reasons I've explained, I uphold Mr and Mrs M's complaint against Santander UK Plc and direct it pay the fair compensation as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 15 May 2024.

Caroline Davies  
**Ombudsman**