

The complaint

Miss B complains that Santander UK Plc told her incorrect information regarding payments she attempted to make.

Miss B is represented by her father in bringing this complaint. But for ease of reading, I'll refer to any submission and comments he has made as being made by Miss B herself.

What happened

Miss B says that on 25 January 2023 she received an inheritance of over £100,000 and prior to receiving this money she contacted Santander to notify them that she would be receiving the money into her account. She says she asked them would she be able to transfer the funds into a savings account, and she was told she would be able to. The following day she transferred £25,000 into her savings account, and then she attempted another transfer of £25,000 into her savings account, but this transfer was unsuccessful.

Miss B says that she contacted Santander, and she was told she needed to go through further security, and they would call her back within three days, but Miss B told them this wouldn't be possible as she would be travelling abroad, and her mobile number would be changing. Miss B said her account was blocked and was in a foreign country without access to her account. She says she was unable to move money to her savings account and has lost out on interest as a result of this. Miss B made a complaint to Santander.

Santander credited Miss B's account with £75 for the time she spent on the phone to them. They said Miss B is able to transfer up to £100,000 online in £25,000 increments. They said waiting a certain period of time in between transfers would not prevent transactions being highlighted for additional security checks. Santander said she can transfer multiple payments one after the other, however this does not mean payments will not be stopped by their security team.

Santander said the call handler Miss B spoke to was unable to complete a security call back, to issue the remaining balance to her external account as Miss B was travelling abroad. And when she completed a further payment for £25,000, this was declined. Miss B brought her complaint to our service.

Our investigator did not uphold Miss B's complaint. She said after reviewing the calls and based on the evidence she'd been presented with, she found no evidence that Miss B had been given incorrect advice about the amount of money she could transfer. She said Santander's daily transfer limit was £100,000 in a 24 hour period, and the online transfer limit was £25,000.

Our investigator said that in theory, four payments can be made in a 24 hour period, which is what Miss B was advised. But the important point here is that any payment can potentially be flagged for additional security checks in line with the account terms and conditions. So as banks fraud prevention systems are automated, it wouldn't have been possible for the bank to stop the payments flagging or the account being blocked.

Miss B asked for an ombudsman to review her complaint. She made a number of points. In summary, she said Santander did not send us calls where they wrongly instructed her how to transfer the money, and by not sending our service calls this was an admission of guilt. Miss B said the fraud department told her that her account was never blocked but she has a screenshot to prove otherwise. Miss B said that a Clearing House Automated Payment System (CHAPS) could have been made for £25 and she wasn't advised about this.

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.

Firstly, I'm aware that I've only summarised Miss B's complaint points. And I'm not going to respond to every single point made by her. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Miss B 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. 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.

I've listened to the call Miss B had with Santander on 24 January 2023 – this is the day before she received the funds. Miss B says that she will be leaving the country soon and she won't be able to ring Santander, so can she transfer money to a savings account. The call handler explains how she would make a future bill payment, but she would need to have her voice registered, and she would need to transfer her to do this. She says as soon as this is done they can set up a payment for the end of the week, so as soon as the money comes over this week it would automatically go. Miss B is transferred to the voice identification line to record her voice.

The call handler did not tell Miss B that Santander wouldn't complete any security checks on the payments Miss B made, so I can't conclude an expectation was set for her prior to her receiving the funds that there would be no issues with any payments she made to her savings account. But I'm persuaded Miss B was told incorrect information on this call as she was told she could make a future dated bill payment. While it may be true Santander can facilitate a future dated bill payment, the call handler should have explained that the funds needed to be in her account first, which she didn't have.

Although Miss B has said she wasn't advised about a CHAPS payment, I'm not persuaded that Santander offers an advice service on transfers. And it's possible the same outcome could have happened if a CHAPS payment was made. I say this as Miss B had not received the funds yet, and there is a fee for CHAPS unlike a bill payment. A CHAPS payment would not stop Santander from making security checks on this type of payment, so I can't say there would be a different outcome if a CHAPS payment was made, even when she received the funds.

Miss B rings Santander on 25 January 2024 to make the future bill payment, however, the call handler informs Miss B she was told incorrect information. The call handler tells Miss B that because of the amount there would be a load of extra security that they would need to do on the payment (of around £95,000), so she places Miss B on hold to find out further information for her.

I listened to the internal call the call handler had with her colleague. While the call handler was speaking to her colleague, she noticed Miss B had disconnected the call. Her colleague said that she would be able to ring back Miss B, but they wouldn't be able to make the payment as Miss B hadn't received the funds yet.

The outbound call recording is not available for me to listen to. I know Miss B believes this is an admission of guilt, but I'm not persuaded by this. It could just be that the outbound call wasn't recorded.

But based on what the call handler told Miss B before she was placed on hold – that there would be a load of extra security completed on the transfer and based on the internal conversation which Miss B wasn't privy to, I would find it very unlikely that Miss B was told that she could make transfers online without there being checks, even though she had told them about her intentions to make a transfer to her savings. I say this because this would be contrary to what the call handler told her, and what the call handler's colleague confirmed to the call handler.

Miss B rings Santander on 26 January 2023. She tells the call handler that she was told that she could transfer £25,000 on the application (app). So I do think it's likely that she did get a call back the previous day and the call handler told her she could make up to four transfers of £25,000 in a 24 hour period. Miss B tells the call handler that after trying the payment it's blocked her. The call handler goes through security with Miss B and processes the payment for her.

Miss B says she wanted to transfer another £72,000, but the call handler was unable to do this for her as she was only able to clear the attempted payment. Miss B is transferred to another call handler, but unfortunately there is no call recording of this, so I'm unable to say what happened here.

But it's clear from the system notes that the £72,000 transfer wasn't able to be made on this call. It appears that due to a security call back being needed to complete the payment and as Miss B was about to board her flight, then it was agreed Miss B would make the remaining payments online. But this wouldn't mean that Santander could avoid security checks on any payments made. And she tried to make another £25,000 payment, but unfortunately this was declined by Santander's security system.

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 Miss B. Section six of the terms in place at the time of the payment set out when Santander can refuse to make a payment that they've been instructed to make. 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 Santander were entitled to block the payment based on the reasons given in this section of the terms. Although Miss B has said the payment was to another account she had, and she told them she would be making the transfer to her savings account, 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 by blocking the payments Miss B wanted to make when they had concerns about them, even though this inconvenienced Miss B.

While the payment was blocked and there was a restriction on her account due to the

payment, I can't say Santander fully blocked Miss B's account. As her statement shows she was able to receive payments into her account and she had made several card payments out of her account before she contacted Santander again in late February 2023. So it would not be proportionate for me to ask Santander to pay Miss B any lost interest, and it would be out of their control how long it took Miss B to ring them back about the declined payment (although I understand the reasons why Miss B didn't/couldn't do this at the time).

I've listened to call recordings which Santander have provided our service from 24 February 2024. It appears from these calls that there was incorrect information Miss B was given. First she was allowed to make a payment of £25,000, although the third call handler she spoke to confirmed that Miss B shouldn't have been able to make this payment due to her voice identification (ID) not being set up on the telephone number she was calling from, so she was unable to make a further payment for her until more than 30 days had passed since she originally set up a bill payment (this would be in a few days' time from this call).

The mistake was in Miss B's favour here as the call handler made the payment when it appears he shouldn't have done this based on the information the third call handler gave Miss B. And the second call handler told Miss B she needed to set up voice ID to make a payment, without realising Miss B had done this the previous month and she was ringing on a telephone number which wasn't her registered mobile, so she inconvenienced Miss B by asking her to register again.

But I'm satisfied that Santander's security system worked as intended in late January 2023, therefore I can't say Santander shouldn't have blocked the payment Miss B intended to make. I do think Santander gave Miss B incorrect information on 24 January 2023 regarding a future dated payment when she didn't have the funds in her account yet, but this incorrect information did not directly result in the payment being blocked as this was clarified on the call I listened to on 25 January 2023. And the incorrect information on 24 February 2023 was after the blocked payment in January 2023, so it didn't affect that payment. But Santander did cause Miss B inconvenience here.

Santander said they paid Miss B £75. I'm satisfied that this compensation is fair based on them giving her incorrect information. This is in line with our awards for what happened here. Because of the original misinformation, Miss B rang up the following day to make the future dated bill payment, but this wasn't able to be made, so she was inconvenienced to make a call which she didn't need to make. And she was further inconvenienced in February 2023, by being given wrong information. But I've been unable to evidence any error with the payment block itself. So it follows I don't require Santander to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 14 May 2024.

Gregory Sloanes
Ombudsman