

The complaint

Ms P complains Santander UK plc (Santander) unfairly blocked her bank account when she attempted to make an online payment.

What happened

Ms P says she attempted to make an online payment to a friend in early December 2023 but was sent a text message to contact Santander's security team. Ms P says during the call with the agent from Santander she was asked to explain the purpose of the payment and despite her reassuring Santander she knew the beneficiary and the payment wasn't a scam, it still refused to make the payment and blocked her bank account.

Ms P says she was told by the agent these questions, which she found rude and intrusive, were for her protection but Ms P didn't agree and feels Santander shouldn't have blocked her account meaning she couldn't gain access to her funds. Ms P doesn't believe Santander have the right to question what she is using her bank account funds for.

Ms P says she has disabilities and feels Santander's actions have been excessive here and this matter has been upsetting and stressful for her. Ms P wants clarification if the payment block was due to the mispronunciation of the beneficiary's full name.

Santander says all payments regardless of amount, frequency or destination can be subject to additional security checks and while that might be a frustration for Ms P, these are in place to protect her from potential scams and fraud. Santander apologised if the questioning during the phone call made Ms P feel uncomfortable, but that wasn't the intention, and it has an obligation to safeguard its customers funds.

Santander accepted the agent seemed to have picked up the name of the beneficiary incorrectly which may have altered the conversation, as it didn't match to the payment being sent and led to further questions about the payment. Santander says because Ms P refused to provide further information regarding the payment, the account block couldn't be removed.

Santander accepted this caused Ms P stress and inconvenience and paid her £125 by way of apology.

Ms P wasn't happy with Santander's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says he understood the situation caused Ms P distress, given her payment was genuine and the questions being asked may have seemed intrusive, but the investigator felt Santander had correctly carried out its process in order to protect Ms P's account.

While the investigator understood the agent for Santander may have taken the full name details of the beneficiary incorrectly, which led to a further line of security questions, these questions were asked to protect Ms P's bank account.

The investigator pointed out such checks are needed in today's modern banking and banks

have these systems in place to help prevent fraud, and on occasions this may cause frustration and upset for customers when attempting to make a genuine payment. In this case the investigator felt Santander genuinely thought Ms P could have been a victim of fraud, hence the line of questioning, and because Ms P refused to provide further information surrounding the payment it held the authority to restrict the bank account.

Overall, the investigator felt Santander didn't intentionally want to cause Ms P any upset and was trying to follow its security process. The investigator felt the £125 it had paid Ms P was fair in the circumstances.

Ms P didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating and upsetting for Ms P to have to answer a series of questions regarding an online payment she was trying to make, and this resulted in a block being placed on her bank account. When looking at this complaint I will consider if Santander acted reasonably when it blocked Ms P's bank account, until it was satisfied its security questions had been answered fully.

The full details of this complaint are known well to both parties, so I don't intend to repeat everything that's already been said or already commented on earlier in this decision.

Ms P's complaint centres around the extent and intrusiveness of Santander's questioning surrounding the online payment she was making to a friend, and the fact it wouldn't make the payment or unblock her bank account until she provided explicit details of the transaction. Ms P feels Santander have been overly excessive in its request to determine if the payment she requested was genuine, considering she had told them she knew the payee and it wasn't a scam.

I understand the points Ms P makes here and I do have some sympathy with her here, as on the face of things she was simply trying to make a payment to someone she knew. While I understand that, it's also fair to say Santander have a responsibility to protect its customers from fraud and scams which sadly have become an increasing threat over recent years.

During an initial call to Santander from Ms P that I have listened to, there's some vague answers given to the questions regarding the payment, and also given during that call Ms P mentions her disability, taking everything into account this may well have led to Santander's concerns about whether or not a scam or fraud was being perpetrated here - I am satisfied it was reasonable for it to make certain that wasn't the case.

I also understand Santander may not have helped matters by incorrectly taking the full name of the payee and that in all probability led to additional security questions being asked. That said, it's not the role of this service to tell Santander the extent of the questions it must ask nor at what point it must be satisfied these have been fully answered – after all these are in place to protect Ms P even if she might not agree.

I also accept Ms P told Santander she knew the payee and it wasn't a scam, but by this point

Santander had taken the view the risk of a scam was possible and explained this to Ms P and offered to call her back as she was becoming upset and frustrated, but this was declined by her.

So having considered everything here, I am satisfied Santander genuinely felt a potential fraud/scam might be taking place and carried out its fraud protection process to be certain that wasn't the case, and I can't say it deliberately tried to make life difficult for Ms P or upset her during the process. It's reasonable to say Santander like many banks would rather risk an element of frustration caused by its questioning, rather than allow a scam or fraud to take place, given the impact this would undoubtedly have.

Santander have accepted it may have added to the level of questions asked, due to an agent misunderstanding the payees full name and the inconvenience and upset the matter caused Ms P generally and has paid her a total of £125 for that, which I am satisfied is fair here.

While Ms P will be disappointed with my decision, I won't be asking anymore of Santander.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 19 June 2024.

Barry White
Ombudsman