

The complaint

Mr E complains that Santander UK Plc blocked and closed his accounts. He would like an explanation, compensation and the accounts reinstated.

What happened

Mr E had two accounts with Santander a savings account and a current account. Following a review Santander gave Mr E notice that his savings account had closed with immediate effect as it had a zero balance. Mr E's current account was restricted, and Mr E was given 30 days' notice to close on 10 March 2023. Mr E's account closed on 11 April 2023.

During the 30-day notice period Mr E was able to receive payments into the account, his direct debits were paid but he had to go into branch to make withdrawals.

Mr E has said he experienced difficulty opening a new account.

Santander said the accounts were closed in line with the terms and conditions of the accounts. They offered a £70 good will gesture for the level of service he received as Santander had mistakenly told him his debit card would still be working.

Mr E complained to our service. One of our investigators looked into the complaint. She thought Santander were entitled to close the accounts and they hadn't acted unfairly by closing the accounts. They had allowed access to Mr E's wages and benefits by going into branch and she didn't think Santander needed to give Mr E a reason for the closure. She thought the £70 was a fair amount in the circumstances.

Mr E disagreed. He said Santander still hadn't given the reasons for the closure. He thought because he wasn't a public figure the bank could close the account and we wouldn't do anything about it. He was unhappy that no compensation had been awarded.

The investigator said that she thought the decision was fair and therefore no compensation was due. She couldn't comment on other cases in the public eye but reiterated that our service was independent, and evidence based.

Mr E mentioned that he couldn't access his statements which he would need for HMRC reporting purposes

As there was no agreement the matter came to me, and I issued a provisional decision.

In my provisional decision I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'll start by setting out some context for the review of Mr E's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These

obligations override all other obligations. I am satisfied Santander were complying with these obligations when they reviewed Mr E's account.

As a result of the review Santander closed the savings account and issued Mr E with a notice to close the current account. During this time Santander partially blocked Mr E's current account and only allowed him to access his funds by going into branch.

I then turn to Santander's decision to close Mr E's account. It's generally for financial institutions to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Each financial institution has its own criteria and risk assessment for deciding whether to open or close accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there's a very good reason to do so, this service won't usually say that a financial business must keep a customer or require it to compensate a customer who has had their account closed. As long as they reach their decisions about that in a legitimate manner, this service won't usually intervene.

In this case, Santander gave Mr E 30 days' notice of the current account closure. This is less than the usual 60-day notice. The terms and conditions of the account, which Santander and Mr E had to comply with, say it could close the account immediately in certain circumstances. I've looked at the information Santander has given us about what caused them to close Mr E's account. Having done so, I would expect to see stronger evidence than it has provided. And more detailed information regarding the reasons behind Santander's decision to close Mr E's account as they did. So, I'm not satisfied that Santander has treated Mr E fairly when it closed his account with less than 60 days' notice.

Because of this I think Santander should compensate Mr E £150 for closing his account without sufficient notice. I've considered what Mr E has said about how Santander's actions impacted him. I've no doubt this was a shock to him. Mr E has said he couldn't pay for parking and fuel on the day the account was blocked, and he had to travel into branch to access his benefits, h's told us this was difficult for him because of his disability. I'm satisfied that £150 is a fair amount of compensation and proportionate to the trouble and upset Mr E was caused.

Mr E has said he wants to know the reason why Santander closed his account. Whilst Mr E may have expected to be given the reasons for the account closure. Santander isn't required to give him a specific reason. And I can understand Mr E's frustration that he hasn't been provided a detailed explanation. But as the investigator has explained, Santander is under no obligation to provide this information to him, as much as he'd like to know. So, I can't say Santander have done anything wrong by not giving Mr E this information.

Mr E has mentioned that he couldn't access his statements which he needed for tax purposes, but I understand that he has now been sent these statements by the bank

replies to my provisional decision

Santander said they disagreed with my decision – they said that giving the customer 60 days' notice wouldn't have impacted the customer because the restrictions would have remained on the account. And the customer wouldn't have been able to use the account because of the restrictions. They said they had closed the account as listed in the terms and conditions.

Mr E said he still hadn't been given a reason for the account closure. He has also said he would be happy with £200 compensation.

Now both sides have had the opportunity to comment I can go ahead and issue my 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.

In relation to the comments made by Santander. I am sorry Santander haven't understood my point. In my provisional decision I said I didn't think Santander had provided enough evidence to this service to show that they had met the requirements for an immediate closure. I consider a closure where the customer doesn't have unrestricted access to their account during the notice period to constitute an immediate closure and in addition Mr E received a 30-day notice to close, instead of a 60-day notice to close. Mr E's account was restricted during the notice period. Santander has said the account was closed as per the terms and conditions. Santander haven't provided me with any further information to be satisfied that they have met the bar for immediate closure. Because of this I see no reason to revise my view.

Mr E has said he hasn't been provided with a reason for the closure. I accept that Mr E will find this frustrating but as I've mentioned Santander isn't obliged to provide its customers with a reason for closure, so they haven't done anything wrong by not providing this information.

Mr E has said that he would like £200 compensation. However, I haven't seen anything to make me revise my original view.

Putting things right

Having reviewed all the information received by both parties and their responses to my provisional decision I see no reason to depart from my original provisional findings. I remain of the view that this complaint should be partially upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

My final decision

For the reasons stated above I partially uphold this complaint and direct Santander UK Plc to pay Mr E £150 compensation for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 14 June 2024.

Esperanza Fuentes
Ombudsman