

The complaint

Mr P complains that Santander UK PLC unreasonably blocked a transaction he was attempting to make and caused him inconvenience in trying to unblock his account.

What happened

In December 2023, Mr P attempted to make a substantial payment from an account he had with another service provider, into his Santander savings account. A few days previously he had carried out a similar transaction when the payment was released following contact with Santander's fraud prevention team. This particular payment was blocked and he received an online message followed by a text requesting that he contact Santander. Mr P duly did so but was annoyed that the adviser asked him all the same security questions that he had answered before.

In the course of the phone call Mr P was asked to make the payment himself. He tried and failed three times to do so. Eventually the adviser was able to make the payment for Mr P.

Mr P complained to Santander firstly that the online message was not specific enough, in particular it did not refer to possible fraud, and that a text message is not secure. And that, having made a similar payment a few days previously Santander should not have blocked his subsequent payment.

Santander replied that its fraud prevention system was an automated procedure put in place to protect both customers' and the bank's funds. With regard to the text and the online message, it said these contact methods are efficient and enable a customer to address any payment or transaction concerns at the earliest opportunity. However it did say that the adviser should have raised a complaint when Mr P said he wanted to do so. In recognition of the issues Mr P experienced in dealing with this matter it credited his account with £50.

On referral to the Financial Ombudsman Service, our Investigator said that Mr P was right to raise a complaint against Santander because the payment blocking was handled poorly, and the agent was wrong to refuse to log a complaint. He said it was correct for Santander to apologise and award Mr P £50 compensation.

With regard to the savings account transactions getting blocked, he said banks must have robust procedures in place to prevent fraud. Whilst this has no doubt caused Mr P inconvenience as he had to phone and get his account unblocked, this was for his own protection.

Mr P disagreed and the matter has been passed to me for an Ombudsman's consideration,

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 Consumer Duty, referred to by Mr P, does not replace or substitute other applicable

rules, guidance or law and doesn't ask firms to act in a way that's incompatible with any legal or regulatory requirements. As I'm required to do, I've had the Consumer Duty in mind when considering Mr P's complaint, along with relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

The Financial Ombudsman Service is an informal alternative dispute resolution service. Given that, my role is to decide what is fair and reasonable given the circumstances of this complaint, rather than to address every single point that has been made. And for that reason, I am only going to refer to what I think are the most important points. But I confirm I've read all of the detailed submissions from both sides and have taken them into account in this decision.

In my view I think the most important points that Mr P makes are that firstly he doesn't think the online message advising him of the payments not going through is clear enough. Secondly that he doesn't think that sending a text is secure. And thirdly that Santander should have had a procedure in place to enable him to make payments when he has already made similar payments and answered security questions for the type of payments in question. I've further considered his dissatisfaction with the adviser not raising a complaint for him and his frustration at the procedure for unblocking his account. And that it didn't respond to his email following its final response letter.

With regard to the online message Mr P doesn't think this is clear enough as it doesn't refer to possible fraud but refers to scenarios which don't apply to him and should at least have warned him that his payment was being blocked for possible fraud. I think the way that Santander advises customers about a payment being blocked is a matter for it. I bear in mind that this is a generic message, not a message about his specific account.

With regard to texts, this service has in the past found this to be an acceptable business practise. Whilst recognising that they can be used by scammers or fraudsters, as long as the customer follows the instructions in the text and takes heed of warnings about the contents of such messages, I think it was reasonable for Santander to send such a message when a payment was being blocked.

I have to consider here if it was reasonable for Santander to invoke the security procedures in the circumstances of Mr P's case. And I don't think Santander's actions were unreasonable. It's not for me to tell Santander how to run its business, but I would expect it to have policies and processes in place to protect it and its customers against fraud – and I think Mr P would agree and understand that. In this case Santander's systems flagged the transaction Mr P wished to make and in line with its terms and conditions. It conducted a security check by sending an online message and text and then by a call to its fraud prevention team. So I can't say Santander made an error here or did anything wrong in flagging the transaction for an additional security check and contacted Mr P about this.

Mr P believes that having previously made such a payment, and gone through the fraud procedures, this should not have been flagged again for possible fraud. I bear in mind however that the payment was flagged by Santander's automated service. And whilst Mr P believes that the service could be adjusted to take account of the issues he had, I don't think it would be proportionate to expect Santander to change its procedures to reflect individual customers' expectations.

That said, I do think that Mr P was caused some inconvenience in trying to have his account unblocked, as he had to try three times to carry out the transfer and the adviser couldn't explain why. He also should have been able to have his complaint logged. For the inconvenience caused, Santander has paid Mr P £50 which I think is reasonable.

Finally with regard to Mr P's complaint that Santander didn't respond to his follow up email to its final response letter, I note what he says. However, having provided a final response letter with his rights to go to the Ombudsman, there's no obligation on Santander to answer any further communication concerning his complaint.

So overall, I don't think that Santander acted unfairly when it blocked Mr P's payment or in the way that it contacted him about it. And that it has paid him reasonable compensation for his inconvenience.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 6 August 2024.

Ray Lawley
Ombudsman