

The complaint

Miss P is unhappy with Santander UK Plc. Miss P attempted to withdraw a large sum of cash but felt the branch asked intrusive, personal questions which Miss P found intimidating and she didn't like the staff behaviour.

What happened

The branch told Miss P she couldn't withdraw the £8,000 she wanted to in one day. She was told she could get a maximum of £5,000 and the other £3,000 the next day and the branch would need an hour to get the first batch of money together. The cashier asked questions about what Miss P was using the money for. To try and end the questioning that Miss P felt was intrusive she said it was for an investment. But that appeared to make the situation worse as the bank are well aware most investment companies would be happy to have the money transferred through the bank and any investment company that required cash would look to the bank likely to be fraud. Miss P was reluctant to give Santander more information as she was worried what it would do with her details. As a satisfactory conclusion couldn't be reached Santander wouldn't complete the transaction and didn't give Miss P the money.

Santander did arrange for Miss P to get the money out, but it remained unhappy about what might be happening so continued to ask Miss P what she was doing with the money. Miss P remained unwilling to provide the clarity that Santander wanted. So, Santander placed a block on the account. As agreement couldn't be reached regarding Miss P's account, she brought a complaint to this service.

Our investigator upheld the complaint. But she only upheld it regarding incorrect and poor correspondence being sent to Miss P by Santander that got the information, details, and dates wrong around what had happened. Because of the errors she said Santander should pay Miss P £25 as compensation for the mistakes it had made. In terms of the block on the account and Santander's wish to get more details about what the money was for our investigator felt this was fair and reasonable. She said Santander was acting to safeguard Miss P and itself.

Miss P didn't accept this and asked for her complaint to be passed to an ombudsman for a final decision. Santander did accept our investigators view.

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.

Miss P wasn't keen on providing any more information than she felt she really needed to when she was collecting her cash. Miss P said she's aware that banks sell private data to third parties unlawfully for profit. Miss P told the branch member of staff that she was being asked for private information against her will and her customer rights. She said this was ignored and Santander withheld the money from her.

Miss P was upset at this point when Santander wouldn't give her the money, she told it that the cash was for an investment. She said she did this out of sheer frustration at the bank's attitude to giving her money. Because branch staff weren't happy with the arrangements the branch manager was brought into the discussion. Miss P was taken into a private room and Santander continued to withhold her cash. Miss P asked what laws and legislation allowed Santander the right to this personal data, but she said she was ignored. Santander said this was to protect her from fraud and scams.

Miss P continued to ask what allowed Santander to ask such questions and why she couldn't just have her money. She said she was left in the private room on her own while the branch staff cancelled her withdrawal and arranged a 48-hour collection for the full amount without any discussion, knowledge, or consent from Miss P. Despite her frustration she said she felt she had to agree to this and left the branch.

Miss P said when she went back 48 hours later the money wasn't ready and she was still left waiting. Miss P was placed on a phone and spoke to someone she didn't know, without any details of who it was, what department, but they were asking the same questions over again. Miss P said she gave the same answers as before and when she got her money, she left the branch disappointed with the staff conduct and felt she'd been constantly harassed.

A couple of weeks later Miss P was abroad and was called by Santander. She was again asked what the cash withdrawal was for. Miss P asked for the banks reasons for requesting such personal information. At this stage Miss P became aware that Santander had now blocked her account. Miss P said this stopped her buying food and meant she was unable to pay her rent.

On her return from holiday Miss P had received a letter from Santander telling her that it thanked her for notifying it she was a victim of a scam. It referred to the £8,000 withdrawal and some incorrect dates that were in the future.

Miss P had further discussions with Santander about the account block. Santander maintained this was about the cash withdrawal and the lack of answers from Miss P. As Miss P said she needed access to her money for food and rent Santander agreed to allow Miss P to get a one off payment of £150 if she went into branch with the right identification.

Miss P said she was left with unpaid bills and limited food which didn't help her health condition and special diet. Miss P made many comments about illegal acts by Santander and said she was going to the police.

Santander apologised for the level of service provided.

It said the cash withdrawal was authorised but caused security concerns. This meant Santander raised an investigation and placed temporary restrictions on the account.

But even though Santander said this was temporary it also said the restrictions would need to remain until it completed its investigation.

Santander said this was for the protection of customers and the bank.

In its final response Santander said Miss P could draw out £200 with proof of the account and identification in branch. Santander said this wasn't Miss P's main account as there were no direct debits, standing orders, signs of rent payments or wages paid in.

Santander also apologised for the letter with the inaccurate information on it. It said this wasn't the quality of service it wanted to offer.

I can understand Miss P's point about how the questioning made her feel. There's no doubt these situations can be uncomfortable and feel personal. But Miss P was withdrawing a large amount of cash and that is going to set processes off at Santander as it would for any bank. The bank does have a duty to protect customers and itself.

Santander's terms and conditions do state circumstances when it can step in over a payment. I accept that Miss P later said she only raised the point about using the money for investments as she thought this would be a way to deal with the matter. She wasn't expecting her answer to work against her and trigger further interest within the bank's internal processes.

Miss P said she wasn't advised by Santander that it was placing the 48-hour arrangement on her withdrawal. And I can see why that would upset her. It wasn't discussed, she didn't know it was happening and to Miss P she felt as though the bank were in some way trying to make it as difficult as possible for her to complete the withdrawal.

Also, Miss P didn't seem to be fully aware of the block placed on her Santander account. It appears she found out around the time Santander called her while she was abroad. A call that went over the same ground Santander and Miss P had already been over on several occasions about what she was using the cash withdrawal for. The conversation went similarly to all the previous ones.

Santander did tell Miss P that the block on the account would remain while it was investigating the cash withdrawal issue and while she withheld answers. It's clear that Miss P was getting quite upset in some of the ongoing conversations and was finding the whole situation stressful and upsetting. But I can't say that Santander acted unfairly or unreasonably. I think it acted within its terms and conditions and won't lift the block until it has suitable answers to its investigations. I understand Miss P feels strongly about giving out her personal information, but I don't think Santander has done anything unreasonable.

Miss P has made several comments about the law, legislation, and illegal acts against her by the bank. Miss P even suggested the bank was "grooming" her. But I can't see any evidence of this, or that the bank has acted outside of its terms and conditions, so I don't think it has acted unfairly or unreasonably while it has tried to investigate the issues created around the cash withdrawal. During the telephone conversations Santander has been clear that it still needs answers to its questions. In this case it is purely that Miss P feels it is personal, it has no right to ask, and she doesn't want to answer.

Santander accepts that errors were made. In the letter it sent to Miss P saying the cash withdrawal she made was a scam, noting incorrect dates and wrong information. Santander did apologise for this. Its clear usual service standards weren't met, and Santander needs to put that right. I think £25 compensation for the incorrect letter is a fair and reasonable outcome. Miss P is very frustrated and upset with Santander but that's more so about the cash withdrawal, the personal questions, and the account block. But on those points, I don't think the bank has been unfair.

Putting things right

- Pay Miss P £25 for the problems caused by the mistakes in its letter claiming a scam had occurred.

My final decision

I uphold this complaint.

I require Santander UK Plc to:

- Pay Miss P £25 for the problems caused by the mistakes in its letter claiming a scam had occurred.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 27 September 2024.

John Quinlan
Ombudsman