

The complaint

Mr M complains Santander UK plc (Santander) unfairly blocked his bank account.

What happened

Mr M says he arranged to transfer payments into his bank account in early April 2024 in order to comply with the terms of the account switcher incentive. Mr M says when he tried to transfer these funds out of his Santander bank account, the transactions were blocked and after making a telephone call he was told he needed to go into a local branch with identification before the block would be removed. Mr M says a few weeks later he transferred a further sum into his Santander bank account and tried to transfer the same amount back to his other bank account the same day, but again the transaction was blocked.

Mr M says he was again made to go back to the branch with identification before the block could be removed and the transaction was then allowed to go through on the following day. Mr M says he had to go through several lengthy phone calls and two branch visits incurring him additional expense and inconvenience. Mr M feels Santander have discriminated against him because of his ethnicity and doesn't feel the offer of £40 goes far enough to cover the trouble and upset he has faced.

Santander says fraudulent transactions affects all institutions and not just them. Santander says it has a duty to protect its customers and has an automated system in place that detects potential fraudulent transactions, and these are referred to its security department for authenticity. Santander says while it understands this can be frustrating for customers when a genuine transaction is picked up for referral, this system is only in place to prevent customers like Mr M falling victim to fraud. Santander says it has apologised for the inconvenience this matter caused Mr M and paid him £40 as a gesture of goodwill.

Mr M 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 felt Santander acted reasonably blocking the payments, especially given this was a new bank account and its automated system hadn't yet become familiar with Mr M's spending patterns. The investigator explained these automated systems are in place to protect customers from potential fraud and while she could understand this would have been inconvenient, this service is not a regulator and Santander acted in line with its procedures. The investigator says there was no evidence to suggest there was any discrimination against Mr M as Santander followed its usual security processes.

Mr M 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 inconvenient for Mr M to have to make two branch visits with identification, before the block on his bank account was removed. When looking at this case I will consider if Santander acted reasonably when it blocked Mr M's bank account and asked for further identification before these blocks were removed.

Mr M's complaint centres around the fact he feels Santander acted unreasonably when it blocked his bank account on two occasions, resulting in him making trips to his local branch before these were removed - Mr M says this indicates to him he was being discriminated against due to his ethnicity.

While I understand the points Mr M makes here, I'm not fully persuaded by his argument. As the investigator pointed out, this service is not the regulator, that's the role of the Financial Conduct Authority (FCA) and so it's not for me to tell businesses what level of scrutiny it must adopt when dealing with suspected fraudulent transactions, which it is obliged to monitor to protect its customers from potential fraud. While I can understand it would have been inconvenient for Mr M to have to make visits to the branch to unblock his account, I'm satisfied this was part of Santander's set security process that it has in place for all of its customers.

While Mr M may not agree, I can't say there's any evidence to suggest any discrimination by Santander here and I'm satisfied it was simply applying the same levels of scrutiny it would for any newly opened bank account identifying what it felt were unusual transactions. It's worth saying this in all probability, could also be due to the fact there was no track record of Mr M's spending patterns this early on in their banking relationship. I was pleased to see that Santander apologised for any inconvenience this matter caused Mr M and have paid him a goodwill payment of £40 in recognition, which I consider fair in the circumstances here.

While Mr M 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 Mr M to accept or reject my decision before 11 September 2024.

Barry White
Ombudsman