

The complaint

Mr B's complaint concerns the closure of his investment accounts by Santander UK Plc.

What happened

Mr B held several accounts via the Santander 'Investment Hub' service – a cash account, an investment account, and an ISA.

In June 2023 Santander began a process of obtaining 'Know your Customer' (KYC) information from Mr B, specifically in respect of his Investment Hub accounts. It seems this process was initially started electronically, with follow up telephone calls made in July 2023.

One of these calls was successful and during it Mr B explained that he was outside the UK and driving, so he would contact Santander later.

Following this he received a letter in September 2023 explaining that his investment account had been closed and the proceeds would be forwarded to him. The letter also explained that the ISA would be closed in two months' time and, again, the proceeds forwarded to him.

The receipt of this letter prompted Mr B to complain to Santander. He was particularly upset about the closure of the accounts as they'd only been opened at the start of 2022, and he had paid a fee to a Santander adviser in respect of this.

Santander didn't uphold the complaint. It was satisfied it had made reasonable attempts to contact Mr B to explain what was required and, as it hadn't received everything it needed, was entitled to close the accounts in line with its terms.

Mr B referred the complaint to this service, but our investigator reached broadly the same conclusion as Santander. He noted its terms regarding the closure of accounts and set out a chronology of the contacts, or attempted contacts, between Santander and Mr B.

Mr B responded to dispute several elements of the chronology. He said he tried to call Santander back after the call in July 2023 but there'd been a lengthy queue, which was costly to hold on in as he was outside the UK. He felt that in any event Santander had all the information it required, and he noted that he'd had no problems of this type with other financial businesses.

The investigator wasn't persuaded to change his opinion, so the matter was referred to me to review.

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've come to the same conclusion as the investigator and for broadly the same reasons.

I think it's fair to say that the primary reason for Mr B making his complaint is the fact that he'd only quite recently paid for the advice that led to the opening of accounts. I can appreciate why he would feel irritated in that respect. But the question I must answer is, did Santander act incorrectly or unfairly? In short, I don't think it did.

Looking at the terms of its Investment Hub service I'm satisfied Santander was entitled to close accounts, in some circumstances without notice. In this case it closed the accounts because Mr B failed to respond fully to its request for information relating to its KYC processes. I note what Mr B's said about not receiving some letters or calls, and the difficulties he experienced in contacting Santander. But ultimately, he was made aware that Santander was trying to contact him, and he was told that the contact related to it needing KYC information.

This was made clear in the call of 20 July 2023. The Santander staff member explained where he was calling from, which department and what the call related to. Noting that Mr B said he was driving at the time, outside the UK (Mr B lived outside of the UK for periods of time), the staff member said Mr B should call back as soon as he was free, which Mr B agreed to do.

I appreciate that calling back the Santander UK telephone number may have been inconvenient and costly for Mr B, given he was outside the UK. But there would've been other options available to him, such as finding an alternative geographic UK number or emailing Santander. And while Mr B has said that he'd felt that if the matter was important Santander would call him back, that wasn't something that had been agreed. And I think Mr B ought reasonably to have been aware the matter was important, firstly because of what he'd been told during the phone call about its purpose and secondly because he'd gone through a similar process with Santander earlier in the year relating to his bank accounts.

After the July 2023 call Santander also wrote to Mr B explaining that his accounts would be restricted if it didn't hear from him. Mr B says that he didn't receive that letter. But it was correctly addressed to him at the address Santander had on file for him in the UK.

I can understand why Mr B found all this frustrating, as he felt Santander already had the information it needed, and he'd been a customer for many years. But I think it was reasonable for Santander to seek to confirm Mr B's circumstances and whether there'd been any changes to them. It's not unusual for financial businesses to carry out this type of exercise. And I think it carried out the process in a reasonable manner, attempting contact in a variety of ways and letting Mr B know the potential consequences of him failing to respond.

As I noted earlier, Mr B's concerns appear to be driven as much as anything by the losses incurred on the investments – both in terms of the performance and the initial fees paid. As I don't think Santander did anything wrong in respect of seeking the information from Mr B and subsequently closing the accounts there's no basis on which I can consider any loss. However, if Mr B feels that he was misadvised at the outset, that would be a separate issue that he'd be entitled to raise with Santander.

My final decision

For the reasons given, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 January 2025.

James Harris

Ombudsman