

The complaint

Mrs G complains that Santander UK Plc caused her to miss out on a £175 switching incentive payment when moving her account to another bank.

What happened

Mrs G instructed another bank, which I'll refer to as D, to switch her account from Santander. Unfortunately, the switch was declined by Santander, so Mrs G asked D to try again. The switch failed a second time, so Mrs G got in touch with Santander on 26 April 2024 to find out what had happened.

Santander explained that as Mrs G had previously been a victim of fraud, it had applied a block on her account which prevented her from switching banks unless it was removed. The agent removed the block during the call.

Mrs G attempted the switch again on 2 May 2024 and it was completed on 14 May 2024. Unfortunately this was too late to benefit from D's offer of £175 and so she complained to Santander.

Santander didn't uphold the complaint. It said it hadn't made a mistake in applying the block and it was correctly removed once Mrs G got in contact, following the second switch request.

Mrs G wasn't satisfied with this so she asked our service to look into things. She felt the victim of fraud block had been incorrectly left on her account and blamed Santander for the switch taking longer than a month, meaning she'd lost out on the incentive.

Our Investigator didn't uphold the complaint. She said she'd seen Santander's policy and it stated the block shouldn't be removed under any circumstances. She also explained that The Current Account Switching Service (CASS) Guarantee set out that switches are handled by the bank or building society being switched to. As such, she didn't think it was Santander's responsibility to get in touch with Mrs G about any issues encountered during the switch.

Overall, the Investigator was satisfied that Santander had followed its internal procedure fairly and that the lost switching incentive wasn't a result of anything it had done wrong.

Mrs G responded to the Investigator to highlight that she'd never been told about the block and so wouldn't have known it was an issue. She also questioned how D could have known what had prevented the switch from successfully completing. Mrs G said that just because it was Santander's internal policy to keep the block on her account, didn't mean its actions hadn't caused her to lose out on the switching incentive.

As no agreement could be reached, the case was passed to me to decide.

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. I realise this will come as a disappointment for Mrs G, so I've explained why below.

Broadly, my role is to decide whether Santander got something wrong which caused Mrs G to lose out as a result. If I'm satisfied that Santander's failing meant Mrs G has been negatively impacted in some way, I can then think about an appropriate level of redress to direct Santander to pay. But in this case, whilst I accept it was the block applied by Santander which prevented the switch from completing, I'm not persuaded it was applied incorrectly or left on the account longer than it should have been.

Santander has explained it applies these blocks internally when one of its customers has been a victim of fraud and that it shouldn't be removed. Mrs G wasn't informed of the block, but I don't think this was a failing from Santander. The block is intended to protect both the customer *and* Santander from further instances of fraud and so it wouldn't always be appropriate to notify a customer if a block is in place – especially as it doesn't generally interfere in the account's day-to-day use.

The block stayed on the account as a warning to Santander's agents that Mrs G had previously been a victim of fraud in an attempt to guard against it happening in the future. As such, I don't consider it a mistake that the marker remained on the account until Mrs G contacted Santander on 26 April 2024.

As the Investigator pointed out, it's generally for the bank or building society managing the switch to update its customer about any issues. Because of this, I wouldn't have expected Santander to have contacted Mrs G during the switching process – though I'm satisfied with the actions it took once Mrs G got in contact.

There's an argument to be made that Santander could have been contacted sooner, the switch requested earlier, or the switch's failure investigated the first time it was unsuccessful – all of which could have resulted in a better outcome for Mrs G. But these aren't things I could hold Santander responsible for and I'm satisfied with its actions in relation to this case.

Ultimately, whilst it's unfortunate that Mrs G has missed out on £175, and I understand her frustration here, I can't see that it was as a result of something Santander did wrong.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 18 December 2024.

James Akehurst
Ombudsman