

## **The complaint**

D a limited company complains Santander UK Plc unfairly closed its account without a clear explanation and it received poor service.

D is represented by a director – Mr D.

## **What happened**

D held a business current account with Santander which was opened in 2018.

In early 2023 Santander carried out a review of D's account following its receipt of incoming payments which it returned to sender. Following this review Santander made the decision to end its banking relationship with D. Santander informed D of this on 1 June 2023. This letter explained D's accounts would close on 1 August 2023. Mr D made a switch request to Santander in late July 2023 and the balance was transferred out, and the account closed shortly after.

Mr D raised a formal complaint about the handling of D's account. Mr D explained the closure was unfair and Santander had failed to provide a clear explanation as to why the account was closing. Mr D also said the service received from Santander in the run up to the account closure was of a low standard, with his queries left unanswered. Mr D was also in touch with Santander's legal advisors about the previous incoming payments and the reasons for this. Mr D received a letter from Santander's legal representatives on 25 May 2023 explaining Santander's position.

Santander reviewed Mr D's concerns about service and its decision to close the account separately. In its final response letter dated 23 November 2023 it explained that it had provided Mr D the necessary two months' notice of closure and that it didn't have to provide D with an explanation about why it wishes to withdraw this service.

Unhappy with Santander's handling of his concerns Mr D referred his complaint to this service. An Investigator reviewed the complaint, and in summary, made the following findings:

- The terms of D's account say the accounts can be reviewed and closed in line with the account terms.
- Specific reasons for this decision don't need to be disclosed to Mr D.
- However, as Santander didn't provide this service with information about its decision making. As such a clear finding on the fairness of this decision couldn't be made.
- Santander should pay D £100 in recognition of the impact the closure had on D.

Santander agreed to the recommendation. Mr D remained unhappy and maintained Santander had acted unfairly. In particular Mr D explained there was a lack of professionalism from Santander in its dealing with D and it hadn't discharged its customer duties.

As no agreement could be reached, the case has been referred to me – 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.

I'm very aware that I've summarised the events in this complaint in far less detail than Mr D has, and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr D and Santander have said before reaching my decision.

Having done so, I've decided to not uphold this complaint in full. I know Mr D feels strongly about this complaint. I'll explain why.

Firstly, I must highlight this decision will be focusing on Santander's decision to close D's account. I understand D raised a separate complaint about Santander's decision to return three payments that were made into D's account. Although there is some overlap of the issues involved, I won't be commenting on Santander's actions in relation to these payments. My focus will be on Santander's decision to close D's account.

As the Investigator has already explained, Santander has a wide variety of obligations it must follow when providing accounts to customers. These obligations are ongoing and are not only relevant to when an account is opened. In D's case, Santander reviewed D's account in line with the account terms and its internal risk and business guidelines. The Investigator explained that Santander hadn't provided evidence to support its decision making. However, since then Santander has provided further details to demonstrate why it took the actions it did with D.

The review of D's account was prompted by concerns around sanctions. Sanctions can be broad and relate to countries, individuals, trade and transactions. Santander is expected to take measures to comply with current sanctions, which means it has extensive things it needs to be aware of and monitor. Sanctions policies are also just one of the many things Santander must consider to ensure it's doing what it should. And if it didn't review accounts and the activity taking place on them, it could risk serious penalties. So, having a sanctions policy to mitigate against potential risks isn't itself wrong, and I would expect Santander to carry out the review it did on D's account.

Santander has provided this service with details of how it reached its decision to end its relationship with D. Our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Santander has provided is information that we consider should be kept confidential.

Having looked at the information I've been sent, I'm satisfied Santander has fairly and legitimately exercised its right to close D's account, in line with the account terms and conditions. Although I can't disclose details, I can see Santander has taken a risk-based approach to D, and this is an approach it is entitled to take, based on its commercial aims and regulatory considerations. I do think Santander could've asked further questions of D

and its ongoing relationship with any specific entities or individuals. However, based on the evidence I've seen I don't think this would've altered Santander's overall approach and decision.

Mr D says Santander failed to clearly set out its position to Mr D or address his submissions. Following the review Santander informed Mr D of its decision to close his account. Santander's legal representatives wrote to Mr D about this decision on 25 May 2023. Within this letter Santander's position is clearly laid out for Mr D. It explains that Santander will be issuing a notice to close letter, and that Mr D's detailed comments in relation to the source of the transfers into D's account had been fully considered before making this decision.

Santander has confirmed that D's account was fully functional during the notice period and Mr D was able to transfer funds out without issue. I appreciate the closure of the account would've created a level of inconvenience for D. But D was able to open a new account without any apparent issues, and I can't see that the closure has had an adverse impact on the functioning of D.

In response to the Investigator's opinion Mr D said the £100 recommended in his complaint won't impact the conduct of Santander in a positive way. It might be helpful for me to say here that, as we are not the regulator, I cannot make directions which aim to change a business's policies or procedures. Instead, I must focus on the individual case and the impact an error has had on the individual – be that a person or company. We have no regulatory or disciplinary role, and we don't police their internal processes or how they operate generally. I consider the £100 compensation recommended a fair reflection of the service issues Mr D faced.

Mr D has made reference to his personal and other business holdings with Santander and says they haven't been closed. Based on the available evidence it seems Santander's focus was on D rather than Mr D in a personal capacity. Santander's decision to only close D's account was based on information specifically relating to D. Although I am unable to share the exact specifics of this information with Mr D, I can assure him that I consider Santander's decision to only close D's account to be fair and proportionate based on the information it had available.

I know this will not be the outcome Mr D was hoping for and he will be disappointed with the decision I've reached. I hope it provides some clarity around why I won't be asking Santander to take further steps than those outlined below.

### **Putting things right**

Santander UK Plc should pay D £100 in recognition of the inconvenience caused by its delays.

### **My final decision**

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 25 March 2025.

Chandni Green  
**Ombudsman**