Moreno, Sheehy Urge Regulators to Investigate Webster-Santander Acquisition Over Security Concerns

BERNIE MORENO

U.S. SENATOR *for* OHIO

WASHINGTON – Today, Senators Bernie Moreno (R-Ohio) and Tim Sheehy (R-Mont.) **sent a letter (https://www.moreno.senate.gov/wp-content/uploads/2026/05/Moreno-Letter-to-Banking-Regulators-re-Santander-Acquisition-FINAL.pdf)** to United States banking regulators expressing concerns about the proposed acquisition of Webster Financial Corporation by Banco Santander. To protect the American financial system, the Senators argue that regulators should investigate this merger, citing Spain's track record as an unreliable geopolitical ally, questions about Spain's record enforcing sanctions against foreign adversaries, and past anti-money laundering failures.

"This proposed merger should not proceed unless and until U.S. regulators are fully satisfied that Santander's governance, compliance culture, and technical controls meet the highest possible standard to protect the American financial system," **the Senators wrote**. "Absent that assurance, this transaction could put the interests of a foreign banking group ahead of the stability and prosperity of American workers. Approving an acquisition that shifts financial power away from American communities, without absolute guarantees that our interests will come first and our laws and regulations will be strictly upheld, would be a grave error."

Read the full text of the letter **HERE (https://www.moreno.senate.gov/wp-content/uploads/2026/05/Moreno-Letter-to-Banking-Regulators-re-Santander-Acquisition-FINAL.pdf)** or below.

May 21, 2026

The Honorable Todd Blanche
Acting Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

The Honorable Jerome Powell
Chair Pro Tempore
Board of Governors of the Federal Reserve
20th Street and Constitution Avenue, NW

The Honorable Jonathan Gould
Comptroller of the Currency
Office of the Comptroller of the Currency
400 7th St. SW
Washington, D.C.

The Honorable Travis Hill
Chair
The Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C.

Dear Attorney General Blanche, Chair Powell, Comptroller Gould, and Chair Hill,

We write today with concern over a pending bank acquisition of Webster Financial Corporation ("Webster") by Banco Santander, S.A. ("Santander"). Under the deal's terms, announced earlier this year, the $84 billion-asset Connecticut-based bank, Webster, would become a wholly owned subsidiary of Santander. Santander, founded in 1857 and headquartered in Spain, is one of the largest commercial banks in the world by market capitalization. The Webster acquisition would make Santander a top-10 retail and commercial bank in the U.S. by assets, with about $327 billion in assets, and a top-five deposit franchise in the Northeast U.S.

Santander is widely recognized as Spain's flagship global bank, celebrated by Spain's leadership and presenting itself as a bridge between Spain, Latin America, and the United States. While Santander's U.S. operations are organized under Santander Holdings USA, a U.S. intermediate holding company and wholly-owned subsidiary of Madrid-based Banco Santander S.A., supervised by U.S. regulators, they remain ultimately controlled by the foreign parent. In the current geopolitical environment, ceding control over U.S. deposits, data, and credit decisions to Spain's premier bank raises questions that warrant careful regulatory scrutiny—particularly given that Spain has not always acted as a reliable ally in advancing U.S. security priorities.

In public comments, Santander's Executive Chair emphasized that the acquisition in question would create "a single bank" controlled from Madrid as part of Santander's global group. This is more than a simple business transaction: allowing a foreign bank to consolidate control over a critical regional lender would tie the economic health of American communities to decisions made abroad. This dynamic risks leaving American workers and businesses exposed to decisions driven by a foreign entity rather

than domestic needs and priorities.

This concern is amplified by Santander's recent history with Iran-related sanctions risk. In 2024, Iran was caught using British shell companies to secretly move money through accounts from China to accounts at Santander UK, in service of a U.S.-sanctioned, state-owned petrochemical company that has raised "hundreds of millions" of dollars for the Islamic Revolutionary Guard Corps Quds Force and works with Russian intelligence agencies. Santander did not comment extensively on the client relationships, but said it was "highly focused on sanctions compliance." Even if Santander now claims its internal review found "no breach" of U.S. sanctions, the fact remains that Iran's state apparatus and intelligence networks were able to exploit Santander's systems to help finance a murderous, anti-American regime's Revolutionary Guard and its Russian partners.

If Iranian front companies were able to route sanctioned funds through a seemingly innocuous Santander account in the United Kingdom, U.S. financial regulatory authorities must investigate whether Santander's existing and future U.S. operations, including any merged institution that holds significant American deposits, are safe against similar exploitation.

Spain is also a major European center of money laundering activities, as well as a noted gateway for illicit narcotic activity to enter Europe from Central and South America. In 2023, reporting uncovered that anti-money laundering procedure failings allowed Beltcastle, a financial intermediary with well-established links to the Cali Cartel and other Colombian narco-trafficking groups, to bank with Santander UK.

Santander's judgment in auto-related finance also raises serious questions: its exposure to disgraced auto-parts supplier First

Brands and affiliated companies has reportedly grown to around $300 million after the company defaulted on a roughly $230 million loan from Santander. Santander's decision to expose itself to the First Brands fraudsters to the tune of hundreds of millions heightens our unease around Santander's expansion in the U.S.

This proposed merger should not proceed unless and until U.S. regulators are fully satisfied that Santander's governance, compliance culture, and technical controls meet the highest possible standard to protect the American financial system. Absent that assurance, this transaction could put the interests of a foreign banking group ahead of the stability and prosperity of American workers. Approving an acquisition that shifts financial power away from American communities, without absolute guarantees that our interests will come first and our laws and regulations will be strictly upheld, would be a grave error.

We appreciate your dedication to safeguarding our financial system from all manner of threats and vulnerabilities, and we respectfully request a thorough investigation of this merger and its potential negative consequences before any approval is granted.

Sincerely,

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United States Senator

TIM SHEEHY
United States Senator

Washington, DC

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