

The complaint

Mr S has complained that Marq Millions Limited, trading as Arro Money (“Arro”), shouldn’t have unblocked his bank account, after it blocked it because of his spending on gambling websites.

Mr S is represented in this complaint by his father.

What happened

Mr S set up an online current account with Arro in April 2019. On 18 May 2019 Arro’s compliance department emailed Mr S to tell him it was suspending his account while it reviewed his activity on it. It said the review could take up to five working days.

Mr S emailed Arro on the same day and asked it to unlock the account as he would be receiving his salary into the account on 20 May 2019. Mr S told Arro at this point that he suffers from depression and anxiety.

Arro agreed to remove the suspension from Mr S’s account on 20 May 2019. It said the account had been suspended because of “*no balance debit activity*” – meaning Mr S had tried to make payments from the account while it had a zero balance. Mr S’s salary was paid into the account on the same day.

Arro contacted Mr S later on 20 May 2019 and said his account had been flagged by its operations department for review, as he is in breach of the account terms and conditions. This meant Mr S’s account was suspended again. Arro told Mr S that its terms and conditions say: “*we may close your account if you operate your account in a manner that could be classed as non-standard use of an account e.g. solely for gambling purposes.*”

Mr S’s father rang Arro on 20 May 2019 and explained that his son had a gambling addiction and it was his and his wife’s practice to ring fence Mr S’s salary, which was usually paid into an account with another bank. Mr S’s father asked for the information to be noted so that the salary could be safeguarded.

Mr S contacted Arro on 21 May 2019 and asked to be allowed to transfer his salary out of the account.

Arro contacted Mr S on 21 May 2019 and said there are continuing concerns about how the account was being managed and its compliance department instructed it to close the account with immediate effect. Arro said the account would be reopened for 48 hours to allow Mr S to remove any existing funds. It said this can be done by ATM withdrawal or faster payment out.

Mr S transferred the remaining money out of his account on 21 and 22 May 2019 by making a number of payments to a gambling website.

Arro contacted Mr S on 22 May 2019 and said, again, that there were continuing concerns about his account and it would now be closing the account with immediate effect. It said any

remaining funds would be returned to the account which have most recently credited the account.

Mr S emailed Arro on 4 June 2019 and asked for his father to be added as a third party to his account so that his father could communicate on his behalf, as Mr S works during Arro's opening hours. He also asked to change his email address.

On 11 June 2019, Mr S's father complained to Arro. He said Mr S told him his salary was inaccessible from the Arro account and he was told it would take eight to ten weeks to have it transferred back to his employer. He said Mr S tried to have the money transferred to a bank account he has with another bank, but he has been met with a brick wall. Mr S's father asked for the money to be either deposited in the other bank account or to be returned to Mr S's employer. He said Mr S has had to borrow money to cover costs, because he can't access his salary.

Arro responded and said it wasn't able to deal with Mr S's father's complaint, as it can only discuss accounts with the named account holder. It said if Mr S was able to send it a signed declaration by post to confirm he's happy for it to discuss the case with his father, then it will do so.

Arro responded to Mr S's father's complaint on 16 July 2019. It said it is now able to provide him with information on the account. It outlined the reasons the account was closed and said Mr S had transferred his full salary out to gambling websites and the account balance is zero.

Mr S's father complained again on 17 July 2019. He said Arro was fully aware Mr S had a gambling problem, indicated by his activity on the account on 18 May 2019. And he said he also gave them the full picture about Mr S's mental health in his phone call on 20 May 2019. He said during this call he asked Arro to ring-fence the salary, as Mr S had moved it to Arro rather than going through the bank where he and his wife ring-fence it. He said Arro has failed in its duty of care and shouldn't have released his salary back to Mr S. Mr S's father said that he and his wife covered Mr S's monthly bills to stop further damage and the salary deposit of around £1,300 should be recovered to cover this.

Mr S's father complained on Mr S's behalf to this service in August 2019. He said Mr S has documented mental health issues and a gambling addiction is part of that. He said he and his wife take steps each month to try and ensure Mr S's salary is put into a holding account, from which they release money as and when Mr S needs it. Mr S's father said he only became aware on 20 May 2019 that his son had diverted his salary to a different bank.

Our investigator didn't uphold Mr S's complaint. He concluded that Arro has a specific clause in their terms and conditions regarding gambling and they used this condition to close the account, which he said was fair.

Mr S did not agree with the outcome and so this has come 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 am not upholding this complaint

It's clear that when Mr S's father first made this complaint to Arro, he thought his son's salary was being retained in the account by Arro. And, as a result he covered his son's costs for a

month or so. But this isn't the case. Arro did not retain the money. Mr S withdrew it by making payments to gambling websites. And so the complaint is now about whether Arro acted responsibly when it reopened Mr S's account after the first suspension.

It's important to clarify here that although Mr S's father lost out financially and experienced a good deal of inconvenience, not least of all because he covered his son's costs for a month, Mr S's father is not a customer of Arro's and so he is not eligible to make a complaint about Arro to this service in relation to any losses he's experienced. Mr S's father can only make the complaint on his son's behalf and this service can only look at whether Arro's actions had a detrimental effect on his son.

I've looked first of all at whether the various actions undertaken by Arro were in line with its own terms and conditions.

When Arro first suspended Mr S's account on 18 May 2019 it was because Mr S had tried to make payments from the account before he had deposited any money into it. The terms and conditions say that Mr S can't make a payment that would put his account into a negative balance. So when Mr S tried to make several payments while his account had a zero balance, Arro's systems alerted it to this and it suspended the account while it looked into the account activity. And this was a reasonable course of action for it to take and was in line with its terms and conditions.

Arro then agreed to allow the account to be unblocked when Mr S told it his salary was due on 20 May 2019. Again, I'm satisfied this was a reasonable course of action. And while Mr S told Arro at this point that he had mental health and depression issues, he hadn't told it about his gambling addiction.

It's important to note that although the payments Mr S was trying to make when the account had a zero balance were to gambling websites, at this stage it was the zero balance issue that alerted Arro to a problem with his account.

It was when Mr S succeeded in making payments to gambling websites, so after his salary was deposited in the account on 20 May 2019, that Arro became aware that the only payments he was making out of the account were to gambling websites. And it again acted in line with its terms and conditions when it suspended and then closed his account because of this activity.

Mr S's father said he rang Arro on 20 May and explained that Mr S has a gambling addiction and asked for his son's salary to be safeguarded. So I've looked at whether Arro should have acted on what Mr S's father told it. But I think Arro acted reasonably when it decided not to take any action based on what Mr S's father said during that phone call. While I appreciate that Mr S's father is keen to do all he can to limit the impact of his son's gambling addiction, the information he passed on to Arro isn't something it can take on board without Mr S's giving his father authority to act on his behalf. And Mr S hadn't done that on 20 May 2019. He was in regular contact with Arro, didn't mention his gambling addiction and didn't give authority for anyone to speak or act on his behalf.

Mr S complained that Arro shouldn't have allowed him to remove his salary from the account after it became aware that he was using the account just for the purposes of gambling. He said it should have acted to safeguard his salary in some way. I can see that the account activity was flagged, the account was suspended and the decision was made to close it within a short space of time. So I'm satisfied Arro took action swiftly when it realised, on 20 May 2019, that the account was being used just for gambling. And Arro also didn't allow Mr S to get into debt with it because of the gambling activity. What's happened here is that

Mr S spent his own money on a legal activity. And I take the view that Arro had to allow Mr S to remove his own money from the account once it was flagged for closure.

Mr S also complained about the length of time it took for Arro to add his father as a third party on the account, so that his father could act on his behalf. While there does seem to have been some toing and froing between Mr S and Arro while this was being set up, I can also see that the delay was partly caused when Arro carried out further checks when it thought Mr S's signature on the photograph he submitted didn't match the signature it held for him. And I can't fault Arro for that. It is allowed to make its own decisions about what security checks to carry out and has an obligation to make sure it's dealing with the correct consumer when contact is made with it.

In any event, I can't see that there was any detriment caused to Mr S because of the time it took for his father to be added as a third party. I know that his father was keen for this to happen as soon as possible after the account closure, but I think it's fair to say this was because Mr S's father had been led to believe by Mr S that Arro had retained his salary, when this wasn't the case. While a delay might have led to it taking additional time for Mr S's father becoming aware of exactly what had happened to his son's salary, this complaint is about the impact on Mr S and not his father. So, as I said, I can't see that there was any detriment here to Mr S.

My final decision

It's my final decision that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 31 December 2020.

Martina Ryan
Ombudsman