

The complaint

Miss A complains that Advanced Payment Solutions, trading as Cashplus, restricted access to her account and funds. And didn't communicate with her during the review period. She'd like compensation for the impact.

What happened

Miss A had an account with Cashplus.

On the 12 September 2019 Miss A transferred £10,000 into her account and on the same day Cashplus restricted Miss A's access to her account. Between the 12 September 2019 and the 13 October 2019 Cashplus reviewed Miss A's account. During this time they informed Miss A she couldn't access her funds because of 'technical difficulties'. On the 15 October 2019 Miss A was informed that her account would be closed and her funds returned via cheque. Miss A was initially advised that the cheque was posted to her in the middle of October, however Cashplus didn't post the cheque until the 4 November 2019.

Miss A complained that she hadn't received the funds. Cashplus looked into Miss A's complaint and partly upheld it – they accepted they'd given Miss A incorrect advice and the cheque wasn't posted in the middle of October. Due to the number of phone calls made by Miss A to discuss the issue they offered her £20 in compensation.

Miss A wasn't happy with Cashplus's response so complained to our service. Miss A explained that she had no money for food.

One of our investigator's looked into Miss A's complaint. She thought that Cashplus acted fairly in restricting access to Miss A's account, but she thought they'd offered poor service in informing Miss A they'd sent the cheque when this wasn't the case. And advised Cashplus to pay Miss A £100 in compensation.

Miss A accepted our investigator's conclusion but Cashplus didn't. They responded by advising that a period of 2 weeks isn't long enough to produce a cheque, and the terms and conditions state they have 30 days to make arrangements. The bank also argued that as the funds were from a gambling institution Miss A wasn't suffering from financial difficulties.

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.

Account restriction:

I've firstly considered Cashplus's actions in restricting Miss A's access to her account prior to closing it.

Although I appreciate that Miss A is unhappy that restrictions were placed on her account businesses have a legal obligation to protect the security of their accounts and to comply

with various laws and regulations. Miss A agreed to this term as a customer and it's a reasonable term. I'm satisfied that Cashplus were acting in line with their legal and regulatory obligations and in accordance with the terms and conditions of the account when they reviewed Miss A's account. So I don't think Cashplus did anything wrong when they initially blocked Miss A's account and didn't allow her access to her funds.

I've also considered Cashplus's communication throughout the account restriction. Cashplus asked Miss A for proof of entitlement for the funds, but at the same time, on numerous occasions, they advised Miss A that she couldn't access the funds due to *technical difficulties*. When this wasn't in fact the case.

Returning of funds

On the 14 October 2019 Cashplus completed their review and agreed to return Miss A's funds via cheque. On the 21 October 2019 Cashplus informed Miss A that the cheque would be there in a few days – however the cheque wasn't posted until the 4 November 2019. Cashplus have argued that they had 30 days to raise the cheque which they met – and I accept this is the case. But this doesn't change that the incorrect advice they provided to Miss A clearly caused her distress. Cashplus have argued that Miss A can't have been in financial difficulty because these funds were from gambling transactions – however I don't think this is a fair argument. Miss A provided evidence that she was entitled to these funds, and suffered distress because they weren't returned when she expected it.

Putting things right

In summary, I think Miss A was caused distress and inconvenience because of Cashplus's failure to advise her of the true reason for the account restriction and incorrect information about when the cheque would arrive. And I think in recognition of this Cashplus should pay Miss A a small amount of compensation.

My final decision

My final decision is I direct Advanced Payment Solutions to:

- Pay Miss A £100 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 12 August 2021.

Jeff Burch
Ombudsman