

## **The complaint**

Mr K complains N26 Bank GmbH unfairly retained funds he held in his account after the account closed. He wants those funds refunded.

## **What happened**

Mr K held an account with N26 Bank. N26 contacted him to say it was closing his account with immediate effect. Mr K asked for the remaining balance in his account to be returned. But N26 said there was nothing to return. The funds in the account had been used to meet third party claims.

Mr K complained to N26, who rejected his complaint. Unhappy with this response, Mr K brought his complaint to our service. He said all the funds in his account were genuine. And most of the payments represented returns from trading in a cryptocurrency via a friend.

During the time Mr K's complaint has been with our service, he complained about a CIFAs marker N26 recorded against him. The investigator who considered this complaint said the matter of the CIFAs marker would be considered separately under a different complaint.

Mr K clarified he did not want to complain about the closure of his account as part of this complaint. Instead, he wanted to complain about N26 retaining funds which were rightfully his.

The investigator decided not to uphold Mr K's complaint. In summary they found:

- N26 has important legal and regulatory responsibilities to meet. Considering all the information available, N26 had acted reasonably and its actions were done to fulfil those responsibilities. It didn't need to give Mr K its reasons in full.
- Mr K hadn't provided evidence to show what the payments into his account were for. So, there wasn't enough evidence to conclude the funds in the account were his.

Mr K disagreed with the outcome the investigator reached. He asked for a final decision from an ombudsman, so the complaint has been 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.

I've decided not to uphold Mr K's complaint. I'll explain why:

- N26 hasn't provided its full reasons to Mr K on why it didn't return the funds in his account. It said there were no funds to return because of claims on the account. But N26 isn't obliged to provide its full reasons, and I don't require it to reveal them now.

- Mr K says the funds in his account were his, and if N26 think differently, it needs to tell him which payments it considers were fraudulent. He says he has not committed wrong doing in relation to his account. But the matter of whether there any wrong doing was committed as a matter of law is not for me to decide. That would be for the courts to consider.
- I don't find N26 had to say which payment(s) related to the claim(s) it received. There is no law which required N26 to reveal this information to Mr K, particularly as this kind of information could identify the third party. Instead, I have considered all the information and evidence available, and I'm satisfied N26's decision not to return the funds was justified and was done to meet its regulatory and legal responsibilities.
- Mr K hasn't been able to provide evidence of the origin of the payments into his account. He says his friend who invested on his behalf no longer holds the account, so documentary proof isn't available. I've accounted for his reasons, but when balanced against the other information I have available, his explanation isn't enough for me to find N26 should reimburse him.

For the reasons I've given, I'm not upholding Mr K's complaint.

### **My final decision**

I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 May 2021.

Liam King  
**Ombudsman**