

The complaint

Mr M complains that Tide Platform Limited (Tide) blocked and closed his account, without warning and without explaining its reasons. And returned £23,695 of the balance to the original senders, instead of releasing it to him.

Mr M brings this complaint on behalf of his company, Z Limited.

What happened

On 19 October 2020, Tide blocked Mr M's account while it undertook a review. Mr M made asked Tide what was happening on several occasions, but Tide didn't explain its actions further or commit to a timeframe, so Mr M complained. On 2 November, Tide wrote to Mr M confirming it had completed its review. It said it could no longer provide banking services for Mr M and asked him to provide bank account details, so it could return the account balance to him.

On 13 November, Tide emailed Mr M to say it was returning £30,660 to him, and that the remaining £3,495 would be returned to its original source, as part of a legal banking recall.

On 17 November, Tide sent Mr M another email, saying it could not complete the funds return as it needed to carry out a further review. After Tide completed its second review, it returned £10,910 to Mr M, and sent payments of £3,945 and £19,750 back to the original sources.

Mr M brought his complaint to our service, saying he had experienced financial difficulties because of the block and because Tide didn't return his full balance to him. He said he wanted Tide to pay him the £19,750 and £3,945 it had returned to source.

Our investigator was satisfied Tide was entitled to block and close Mr M's account, and that it completed its review in a reasonable time. She understood why Mr M felt aggrieved, but said Tide was entitled to the funds to source instead of sending them back to him.

She did say Tide should have been clearer in its communications, because it only told Mr M the £19,750 was to be returned as part of a legal banking recall a month after it could have done. But she said Tide had offered £75 in compensation, which she thought was a fair offer.

Mr M didn't accept what our investigator said, so he asked for an ombudsman to review his case afresh.

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 block

All banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. That sometimes means they need to restrict customers' accounts while they carry out a review.

So, in order to make an award in favour of Mr M, I would need to be satisfied that Tide acted unfairly or took action it wasn't entitled to take. And, having looked at the evidence, I'm satisfied that Tide acted in line with its legal and regulatory obligations when it blocked Mr M's account. And that it was entitled to do so under the account terms and conditions that govern the relationship between Tide and Mr M.

I've also reviewed the timeline to see if Tide acted promptly or caused any unnecessary delays. The first review lasted just under four weeks: from 19 October to 13 November. Having reviewed the evidence Tide has provided our service, I'm satisfied it acted promptly in completing its review. I can see it had information to process and review and I don't consider there to have been any undue delays.

Mr M was unhappy that Tide told him it would release most of his money, only to then carry out a further review which resulted in a further £19,750 being returned to source, instead of to Mr M. But again, I'm satisfied Tide was complying with its legal and regulatory obligations when it carried out the second review. And that it was entitled to return the money to source, instead of Mr M.

I accept that it could have been clearer with Mr M when it told him why it had returned the second lot, but I'm satisfied £75 is sufficient compensation to put matters right for Mr M. So I won't ask Tide to increase its offer.

I know Mr M is frustrated that he wasn't given a proper explanation as to why his accounts were frozen and the money returned to source. And that he feels very strongly about his complaint. But under the terms and conditions, Tide doesn't have to give a reason for doing so. So, I can't say it did anything wrong by not giving Mr M this information when he complained.

Account closure

A bank is entitled to close an account with a customer, so long it does so in a way that complies with the terms and conditions of the customer's account.

The terms and conditions of Mr M's account – which both Tide and Mr M had to comply with – say that Tide could close the account immediately and without notice, under certain circumstances.

Having considered the evidence I've been provided, I'm satisfied Tide acted in accordance with its terms and conditions when it closed Mr M's account. So, I don't think I can reasonably say Tide did anything wrong by closing Mr M's account.

My final decision

My final decision is that Tide must pay Mr M £75.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 July 2021.

Alex Brooke-Smith
Ombudsman