

The complaint

Mr M complains that Advanced Payment Solutions Limited (“APS”) restricted his account and left him with no access to his funds.

What happened

Mr M left an abusive relationship in June 2021. He also left the business he shared with his partner; however the business and related bank account was in his partner’s name. When Mr M left, he logged onto the business’ online banking and transferred £10,000 from the business account to his personal account.

APS restricted his personal account after receiving an indemnity from the sending bank. When APS asked Mr M about the transfer, he was unable to prove authority for it or proof that the funds belonged to him. As a result, they returned what remained of the funds, £6,900, to the sending bank. APS eventually issued a closure notice for both Mr M’s accounts, meaning he no longer had access to any funds as he didn’t have another bank account where they could send the remaining funds to.

Following our service’s involvement, APS agreed to lift the restriction on Mr M’s accounts for 30 days to allow him to withdraw the remaining funds. In total, Mr M had no access to any funds for 12 days.

Our investigator partially upheld the complaint. They felt that APS had acted fairly when it restricted Mr M’s accounts and that it had done so in line with the terms and conditions of the accounts with enough notice. But they felt that APS could have lifted the restrictions on the accounts sooner considering Mr M’s difficult personal situation at the time, which APS was aware of. As a result, they felt that £400 compensation for the distress and inconvenience this had caused Mr M was fair in the circumstances.

APS accepted the general outcome but felt £400 compensation was high considering that Mr M could have opened a new bank account sooner, meaning he could have transferred his funds sooner. As a result, they felt £200 was more reasonable.

I wrote a provisional decision in which I explained that:

- I felt APS acted reasonably when it returned the £6,900 to the sending bank.
- APS had reasonable grounds to restrict Mr M’s account under the relevant terms and conditions.
- APS closed the accounts in line with the terms and conditions and provided appropriate notice.
- While it could have lifted the restriction on the accounts sooner, this was still at the discretion of APS so I felt the £200 compensation it had offered was fair in the circumstances.

APS responded accepting my provisional findings and made no further comments for me to consider.

Mr M responded and explained that he still felt APS could have done more to help him, considering his vulnerable situation. He felt APS made his life more difficult and that the £200 compensation wasn't enough in the circumstances.

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 carefully thought about the additional comments that Mr M has made, and while I understand his point of view, I don't think he's said anything that materially changes the findings set out in my provisional decision. As a result, I see no reason to deviate from the findings I made in the provisional decision. Which is that APS acted fairly in returning the funds to the sending back and restricting and finally closing Mr M's accounts. But it could have acted sooner to lift the restriction considering Mr M's circumstances. As this was at APS' discretion I think the £200 it offered is fair.

My final decision

I partially uphold Mr M's complaint.

Advanced Payment Solutions Limited should now pay Mr M £200 compensation for the distress and inconvenience caused if it hasn't already paid this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 September 2022.

Rebecca Norris

Ombudsman