

## **The complaint**

Mr B complains Wirecard Card Solutions Limited blocked his Pockit account and sent money back to source rather than releasing it to him.

The Pockit account is a pre-paid payment card administered by Wirecard Card Solutions Limited.

## **What happened**

Mr B had a Pockit account. He used it mainly to receive his DWP benefit payments and profits from cryptocurrency trading.

In May 2020, Pockit blocked Mr B's account while it carried out a review. As part of the review Pockit asked Mr B to provide proof of his identification, address, and source of funds. In response Mr B sent Pockit some information which included screenshots showing his benefit entitlement and cryptocurrency trades.

Over the following months, Mr B sent emails to Pockit to try and get access to the money in his account and he complained about how long Pockit's review was taking. Pockit responded saying they had a right to suspend the account as part of their terms and conditions. However, they didn't go into further detail. Mr B didn't hear from Pockit again until November 2020, when Pockit told him it was still reviewing his account.

When Mr B brought his complaint to our service Pockit told Mr B they would be closing his account and returning the money which was held in Mr B's account to the original sources. Mr B says being without the money in his account had made it difficult for him to manage financially and he suffered a lot of stress.

The investigator who looked at Mr B's complaint agreed that Pockit was allowed to suspend Mr B's account and ask him for information. But she said the review had taken too long and that Pockit should return Mr B's balance to him along with 8% simple interest. She also said Pockit should pay Mr B £50 compensation for the trouble and upset the matter had caused him.

Mr B agreed but said he was still without his money. Pockit disagreed with the investigator's view and said it had sent the money in Mr B's account back to source. So, it couldn't return the funds to him.

As no agreement could be reached the matter came to me to decide. I issued a provisional decision in March 2022 explaining why I intended to partly uphold Mr B's complaint. In it I said the following:

Firstly, the investigator was right to point out that Pockit has important legal and regulatory obligations it must meet when providing accounts to customers. And it must take certain actions in order to meet these obligations.

Having looked at the information Pockit relied upon to review Mr B's account, I'm satisfied that they were complying with their legal and regulatory obligations when they reviewed Mr B's account and asked him for information. The terms and conditions of Mr B's account also permit Pockit to block an account and I'm satisfied Pockit acted in line with them. So, I can't say Pockit did anything wrong when it initially blocked Mr B's account.

However, there has been a significant delay in returning the money in Mr B's account to source. Pockit has told us they authorised the return of the funds to source in July 2021 – more than a year after Mr B's account was first blocked. Whilst I recognise, Pockit are entitled to review an account, I don't consider the account to be blocked with little or no contact for a year to be acceptable. Despite being asked by the investigator, Pockit hasn't offered any explanation for why this process took it so long to complete.

I note from the information Pockit has provided that Mr B appears to have complied with its requests for information relatively promptly. And I can see that Mr B wrote several emails to Pockit to try and find out what he needed to do to move things along. In response, Pockit said it was reviewing his account. But I can't see that Pockit asked Mr B to provide further information and Pockit hasn't set out what (if anything) it was doing for more than a year. So, in the absence of any explanation from Pockit, I'm not satisfied Pockit completed its review in a timely manner and treated Mr B fairly. Because of this, I think Pockit should pay Mr B £50 compensation to recognise the trouble and upset caused to him by how long its review took.

Pockit sent the remaining balance of Mr B's account back to source. This ensures the funds are sent back to the correct person or organisation. Pockit has told us that Mr B's funds were sent back to source in July 2021, I find this to be a long time – given Mr B's account was first blocked in May 2020. Mr B says he is still without the money. And despite being asked by the investigator, Pockit hasn't provided any evidence to confirm Mr B's benefit money has actually been returned to DWP. I haven't seen anything to suggest Mr B isn't entitled to the benefit money. And therefore, I think the delay in returning the money had a direct impact on Mr B.

I've also considered Mr B's individual circumstances. While I appreciate Pockit are entitled to block accounts while carrying out a review, it's usually reasonable that a customer still has access to their benefit money. Mr B made Pockit aware of his difficulties and that he was struggling financially. But I haven't seen anything to suggest Pockit reached out to him or acknowledged he maybe in a vulnerable position. Because of this, I think Pockit should pay Mr B £50 compensation to recognise the trouble and upset caused to him.

Pockit should also pay 8% simple interest on the DWP funds held because of the delay Mr B has experienced in not being able to access the money. I think it important that Pockit let Mr B know what amount it sent back and where so he can contact DWP with enough information to be able to withdraw the money.

I'm aware that Pockit also returned additional funds Mr B received into his account. Mr B has said that the money was from cryptocurrency trading. I know Mr B has provided Pockit with evidence about the source of these funds. But I've also looked at the information provided by Pockit and I'm not satisfied that this shows Mr B is entitled to the funds. So, I agree this was the right action in the circumstances.

So, to put things right, I said Wirecard should:

- Pay Mr B a total of £100 compensation for the trouble and upset this matter has caused him

- Pay Mr B 8% simple interest on Mr B's benefit money from 23 May 2020 until the date of the funds being released back to source
- Provide Mr B with a detailed breakdown of which source the money has been returned to so that he is able to obtain the funds from DWP

Mr B responded and said he thinks the money which was returned to source should also be refunded to him. Wirecard didn't respond to the provisional decision.

### **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 remain of the view to partly uphold the complaint for the same reasons I gave in my provisional decision, which are repeated above and form part of this decision.

I understand Mr B thinks Pockit should also return the money it sent back to source which he says was the result of crypto currency trading. But I've also had to consider Mr B's position alongside all the wider information available to me, including the regulatory and legal obligations Pockit must balance when taking decisions. And the information it relied on to take the actions it did, which I've seen – that said Mr B wasn't entitled to the money.

In doing so, I'm satisfied Pockit made a legitimate and proportionate decision in not releasing the money to Mr B. This doesn't of course mean that I think Mr B has committed any crime or wrongdoing. That is not what I need to decide; nor was it required of Pockit to decide in order to take the action they did. So, I can't say Pockit has treated Mr B unfairly when it decided not to release the money to him and returned it to source. And I won't be asking the Pockit to do so.

For the reasons I've already explained in my provisional decision I'm not satisfied Pockit completed its review in a timely manner and treated Mr B fairly. Because of this, I think Pockit should pay Mr B £50 compensation to recognise the trouble and upset caused to him by how long its review took.

Pockit also sent the remaining balance of Mr B's account back to source. These funds included Mr B's benefit money. It did this in July 2021. I find this to be a long time – given Mr B's account was first blocked in May 2020. I note Mr B says he is still without the money. I haven't seen anything to suggest Mr B isn't entitled to the benefit money. And therefore, I think the delay in returning the money to source had a direct impact on Mr B.

While I appreciate Pockit are entitled to block accounts while carrying out a review, it's usually reasonable that a customer still has access to their benefit money. Mr B made Pockit aware of his difficulties and that he was struggling financially. But I haven't seen anything to suggest Pockit reached out to him or acknowledged he maybe in a vulnerable position. Because of this, I think Pockit should also pay Mr B £50 compensation to recognise the trouble and upset caused to him.

Pockit should also pay 8% simple interest on the DWP funds held because of the delay Mr B has experienced in not being able to access the money.

I also think it important that Pockit let Mr B know what amount it sent back and where so he can contact DWP with enough information to be able withdraw the money.

## **My final decision**

For the reasons I've explained, I partly uphold this complaint. To put things right, Wirecard Card Solutions Limited should:

- Pay Mr B a total of £100 compensation for the trouble and upset this matter has caused him
- Pay Mr B 8% simple interest on Mr B's benefit money from 23 May 2020 until the date of the funds being released back to source
- Provide Mr B with a detailed breakdown of which source the money has been returned to so that he is able to obtain the funds from DWP

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 May 2022.

Sharon Kerrison  
**Ombudsman**