

The complaint

Mr A complains to Wirecard Card Solutions Limited that his Pockit account was blocked unfairly and then closed. He also says they failed to return the balance held on his account to him.

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

What happened

The background circumstances which led to Mr A's complaint are known to both parties. But, in summary, Pockit blocked Mr A's account in May 2019 to carry out a review. They eventually closed his account in June 2020 and didn't return the balance they held to him. They say they returned the balance to source.

Our investigator issued several views while the complaint has been with our service. Only the last view is relevant because this is the outcome which has led to this final decision. The investigator concluded:

- Pockit could block Mr A's account to carry out a review. They did so in line with their legal and regulatory requirements. But they took too long to complete the review. They had the information they needed on 1 October 2019 but failed to decide what to do with Mr A's account until 12 June 2020.
- Pockit were entitled to close Mr A's account.
- Pockit say they returned the funds they held for Mr A back to source. But they failed to provide enough evidence to show they did this despite being asked to do so.
- Pockit need to refund Mr A an amount which represents the remaining account balance they said they returned to source. They also need to pay 8% simple interest per annum on that amount up until Mr A receives his refund.

As no resolution was reached, Mr A's complaint was passed to me to make a final 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.

I've decided to uphold Mr A's complaint. I'll explain why:

- Pockit have important legal and regulatory obligations they must meet when providing accounts to customers. To comply with their obligations, it's common for firms to restrict access to an account to conduct a review. And considering the circumstances of Mr A's complaint and the information I have available; I'm satisfied Pockit made a reasonable decision to initially stop Mr A accessing his funds and that this was permitted under the terms and conditions of the account.

- Pockit should conduct a review and reach a decision without undue delay. After all, the longer a customer doesn't have access to funds, the greater the financial harm they may suffer. The evidence shows they took until 12 June 2020 to close Mr A's account when they had enough information to take this action from 1 October 2019. The delay was plainly unreasonable.
- As no persuasive evidence has been provided to support a finding to the contrary, I find Pockit ought to have made the decision to close Mr A's account on 1 October 2019. And, at this point Mr A ought to have been given the funds in his account.

Pockit say they returned the funds they held back to source. But they failed to provide persuasive evidence to show the funds were sent back to where they originated and when. So, in the absence of persuasive evidence, I'm left to conclude that they didn't return the funds.

But more importantly I haven't found sufficient evidence has been provided to demonstrate that Mr A wasn't entitled to the funds in his account. Mr A provided Pockit with information, and they have failed to demonstrate why this wasn't sufficient. So, even if the funds were returned to source, I can't conclude that it was reasonable for Pockit to take this action under their terms and conditions or that it was an appropriate response to meet their legal and regulatory obligations.

- Pockit have a broad commercial discretion and can close their customers' accounts. Mr A may want to know why his account was closed, but Pockit are under no obligation to disclose their reason(s). Neither will I be revealing their reason(s) to him. Pockit should however still close an account in line with their terms and conditions, and I find they did.

Putting things right

I direct Wirecard Card Solutions Limited to:

- Pay Mr A an amount which is the same as the balance they say they returned to source and add 8% simple interest on this sum from 1 October 2019 until the time Mr A accepts this final decision.
- They have 28 days from the time Mr A accepts this final decision to pay him the above redress.

My final decision

I have decided to uphold Mr A's complaint. Wirecard Card Solutions Limited need to pay him redress in accordance with my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 August 2022.

Liam King
Ombudsman