

The complaint

Mr C complains that PrePay Technologies Limited, trading as Prepay Solutions, restricted access to his account and closed it without notice.

What happened

On 18 December 2020 Prepay restricted Mr C's access to his account.

Prepay asked Mr C how he used his account, and he explained it was operated as his main account – to receive his salary and for day to day spending.

Following a review, on 15 January 2021, Prepay decided to withdraw Mr C's facilities and closed his account.

Mr C wasn't happy with Prepay's actions so complained, but they didn't uphold his complaint. They thought they'd acted fairly in restricting then closing his account without notice.

Mr C brought his complaint to our service. He said that he wanted an explanation from Prepay as to why they'd closed his account suddenly – and compensation for the inconvenience caused.

One of our investigators looked into Mr C's complaint – after reviewing the evidence supplied by Prepay, our investigator thought that Prepay were entitled to restrict his account, but they shouldn't have closed it without notice. And they thought Prepay should pay Mr C £200 compensation for the inconvenience caused to him.

Prepay didn't agree – and pointed to evidence they'd already provided along with some new evidence to show their decision to close the account immediately was justified. But our investigator didn't agree.

As Prepay didn't accept our investigator's outcome it's been passed to me for a decision.

I asked Prepay for a further explanation for their actions in closing Mr C's account immediately. And Prepay provided further evidence including statements from Mr C's account.

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 restriction

I've considered Prepay's actions in restricting Mr C's account – they restricted Mr C's access for around four weeks, and advised Mr C about this restriction on 18 December 2020.

I've thought about Prepay's actions here. And I appreciate this will disappoint Mr C, but

Prepay are entitled to review their customer's accounts – as per the terms and conditions of the account – and they have certain legal and regulatory obligations which they need to comply with. This means I can't say that Prepay acted unfairly in reviewing Mr C's account and placing a restriction on his access. But, I can consider the length of time the block was in place and the level of communication Prepay had with Mr C regarding access to his funds.

I'll firstly consider Mr C's funds – I can see that Mr C's salary was paid into his Prepay account on a monthly basis. I'd expect Prepay, and any financial provider who restricts an account, to allow their customer access to their salary, pension or benefits. But, I can't see any evidence that Prepay advised Mr C of this. Looking at the number of transactions which took place *after* Mr C's last salary payment I can't be sure that the remaining funds were made up of his salary, but I think it's likely a proportion of them were. And I'm satisfied Prepay should have allowed Mr C access to them sooner – and this caused Mr C anxiety and inconvenience.

I've move on to consider the length of the review. In total Mr C's account was restricted for four weeks – and I appreciate this feels like a long time to Mr C. But, I'm satisfied it's not an unreasonable length of time for Prepay to complete their review.

Account closure

Once Prepay completed their review they closed Mr C's account with *immediate* effect on 15 January 2021. I've thought about their actions here, and whether they've fairly applied the terms and conditions of the account. According to the terms and conditions of Mr C's account Prepay can close his account with 60 days' notice for *any* reason. However, to close it immediately, as they did, Prepay need to meet a certain set of conditions. And having reviewed the evidence presented by Prepay, and Mr C's account terms, I'm not satisfied they acted fairly in applying the immediate notice terms. Although I'm satisfied Prepay were entitled to end their relationship with Mr C I think they should have given him 60 days' notice.

Putting things right

I think Prepay caused Mr C anxiety and inconvenience by not allowing him access to his salary and closing his account without notice – leading him to find alternative banking facilities without notice. For this reason I think Prepay should pay him £200 compensation.

My final decision

My final decision is I direct PrePay Technologies Limited, trading as Prepay Solutions, to:

- Pay Mr C £200 compensation for the inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 September 2022.

Jeff Burch
Ombudsman