

The complaint

Mr S complains that Advanced Payment Solutions Limited (“APS”) restricted his account and are withholding his money.

What happened

In November 2020, APS restricted Mr S’s account. As part of the review, and in December 2020, APS asked Mr S for proof of his identity, his address, and his entitlement to two payments he’d received into the account. APS was satisfied with Mr S’s entitlement to the payments; but wasn’t satisfied with his identity document or address confirmation. Mr S’s account remain blocked.

Our investigator reviewed things and partially upheld Mr S’s complaint. In summary, he said APS were entitled to restrict Mr S’s account while they carried out their review. But, he thought Mr S had provided sufficient evidence of his identity and address and therefore thought they should release the money which is held in the account to Mr S, plus 8% interest to recognise the time he’s been without the money.

APS didn’t agree with our investigator. They said they don’t accept the type of identity document Mr S provided, and they only accept certified bank statements as proof of address. Mr S had sent a covering letter from the bank but didn’t enclose the statements.

As an agreement couldn’t be reached, the complaint has been passed to me.

I reached out to APS in an attempt to resolve things informally; but they didn’t respond. So I have proceeded with a formal decision.

In September 2022, I issued a provisional decision. In it, I said;

All banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. Banks are also required to carry out ongoing monitoring of an existing relationship. That sometimes means they need to review and sometimes block customers’ accounts. I’m satisfied APS reviewed and blocked Mr S’s account to meet these legal requirements. So, I can’t say they have done anything wrong in this regard.

I’m pleased to see APS were proactive in their review by requesting information from Mr S. It appears APS accepted the evidence Mr S supplied to show he was entitled to the money in the account; and therefore, this point is not in dispute. However, APS are still withholding the money from Mr S until they’re convinced of his identity and address.

APS make it clear on their website what documents they accept as proof of identity. While Mr S has provided two types of documents, neither of these are listed as acceptable forms of identity. However, Mr S says he doesn’t have any of the identity documents APS wants to see. I’ve thought carefully about this point. Mr S should have been aware before opening and using his account that APS only accepted certain identity documents – if Mr S knew he didn’t hold one of these documents, then he should have considered banking elsewhere. Nonetheless, the current situation means APS are holding on to money which they’re

satisfied rightfully belongs to Mr S – and he can't retrieve it because he doesn't have a particular document. Mr S has tried to resolve matters by providing two alternative forms of identity and I don't consider it reasonable that APS aren't doing more to assist him. While I appreciate the identity documents aren't the usual forms APS accept, I do think they should make an exception in circumstances such as this. APS clearly explain that certain documents need to be certified – and therefore, if Mr S was able to get both of his identity documents certified, I think this ought to be enough for APS to accept them.

In turn, with the proof of address, Mr S has provided the cover letter from the bank of a statement and a copy of the statement – but not the original statement. Cashplus has said this isn't enough for them to accept. I can appreciate both APS and Mr S's position here. Mr S thinks he has provided enough; but APS wants a complete set of bank statements sent from the bank and dated within the last three months to satisfy them of Mr S's address. It appears Mr S is able to provide these particular documents – as he has already supplied a copy of the statements. Therefore, I would urge Mr S to send APS the full statements sent by the bank to allow APS to be satisfied of his address.

So, in summary, I thought APS were entitled to review Mr S's account and ask him for information – but I didn't think it was reasonable for them to hold on to his money indefinitely. Based on the circumstances, I thought APS should accept Mr S's proof of identity as long as it is appropriately certified (which Mr S can find details on this on the UK government website), and Mr S should provide a full copy of his bank statement to APS.

Neither party responded with any further comments or arguments to my provisional decision. Mr S did provide a letter from another organisation confirming his address; however, it wasn't certified.

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.

As neither party raised further arguments, I see no reason to depart from my provisional findings.

Putting things right

I explained in my provisional decision that Mr S should provide the following to allow APS to release the money:

- Certified copies of both Mr S's identity documents he had previously supplied to APS;
- Full statements that were posted to Mr S by his bank.

Once Mr S has provided the above, APS should release the money held in the account to him.

My final decision

My final decision is that I uphold this complaint.

To put things right, Advanced Payment Solutions Limited should accept Mr S's proof of identity as long as it is certified. And release the money to Mr S once they have received appropriate confirmation of Mr S's address through his bank statement.

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

Hayley West
Ombudsman