

The complaint

Mr O complains Think Money Limited (“TML”) restricted his account and withheld money held in it. Mr O says this caused him inconvenience.

What happened

In early October 2021, following an internal review, TML restricted Mr O’s access to funds in his account. Unhappy with this Mr O complained.

In summary TML said the following in its final response:

- It is not able to let Mr O transact on £8,660 which had previously been paid into his account
- The funds were made accessible to Mr O on 23 November 2021
- As per its terms, all payments made into Mr O’s TML account are subject to its compliance procedures, and security and risk checks. This may result in TML holding, delaying, or refusing to accept a transaction
- TML couldn’t give any more information about this
- TML made no error in restricting Mr O’s access to these funds – and it did not breach its regulatory or contractual obligations by doing so
- TML could have made the funds available to Mr O slightly sooner than it did. TML was sorry about this and any further stress it may have caused Mr O

In separate correspondence, dated the same day as its final response, TML notified Mr O it would close his account ten days from the date of the letter.

Mr O referred his complaint to this service. One of our Investigator’s looked into it. In summary they found:

- TML did nothing wrong when reviewing and blocking the account
- TML acted fairly and in line with the terms and conditions of the account when deciding to close it
- TML’s review was delayed unduly by approximately 15 days – which TML acknowledged. They noted that TML said this wasn’t Mr O’s main account, but given he had to borrow money from friends and family, this would have inconvenienced him and caused embarrassment. So, they recommended TML pay Mr O £100 compensation

TML did not agree with our Investigator. In short, it said our Investigator’s suggestion for it to pay Mr O compensation for the inconvenience and embarrassment it caused was inconsistent with similar cases this service has dealt with.

TML said it had not given Mr O any timescales, and that it had acted within its own internal one's. So even if Mr O needed to borrow funds, that would always have been the case even if it gave him access to his funds sooner.

TML also said, in broad terms, that the delay was warranted as it had reasons to extend its internal review.

TML also elaborated that Mr O's account wasn't used for everyday spending, and when the funds were withheld, all account activity stopped. So this indicated Mr O had access to funds elsewhere – and it wouldn't therefore be appropriate to compensate him. TML also sent our Investigator an excerpt of another Ombudsman's decision which it says shows their recommendation for it to pay compensation is inconsistent.

Our Investigator did not agree. In their response, they said TML had acknowledged in its final response, and submission to this service, that it had caused avoidable delay. Nor had TML given any information to show its review warranted more time which negated the delay.

They also pointed out that the decision they had quoted says the Ombudsman had made their decision based on the individual circumstances of that case. And that is what they did when looking into Mr O's complaint.

As TML have not agreed, this complaint has now been passed to me – an Ombudsman – to decide.

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 that, I've decided to uphold this complaint in part. I'll explain why.

Financial business' in the UK, like TML, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means they need to restrict, or in some cases go as far as closing, customers' accounts.

Having carefully considered TML's reasons for reviewing, and then restricting Mr O's access to funds held in the account, I'm satisfied its acted in line with the obligations it must follow. That means it hasn't done anything wrong by doing this.

TML is entitled to close an account just as a customer may close an account with it. But before TML closes an account, it must do so in a way which complies with the terms and conditions of the account.

The terms and conditions of the account, which TML and Mr O had to comply with, say it could close the account by giving at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Having looked at the information given to me by TML, I'm satisfied it was entitled to close the account in the way that it has done. I know Mr O would like more substantive reasons for why TML placed restrictions on his account and, most likely, why it closed it too. But neither TML, nor I, are under any obligation, that I'm aware of, to do so.

The crux of why this complaint was referred to me for decision is whether I think TML should pay Mr O any compensation for any distress or inconvenience caused.

TML argue its delay is justifiable given the chain of events it explained to this service, which meant it had to carry out further due diligence in its review. But this runs in stark contradiction to what it said both in its final response and initial submission to this service. Given the initial position is more contemporaneous than the latter, I'm putting more weight on its answer in the final response. So I do think it caused avoidable delay of around two weeks. In turn Mr O was left without his funds for much longer than he should have.

TML assert Mr O did not use this account for everyday requirements – and that it's highly likely he had funds elsewhere. Having looked at Mr O's statements, and the activity on there, I'm persuaded that's most likely the case.

But given the value of the funds, I'm satisfied that being deprived of them would have caused Mr O inconvenience and distress. At the time of the restriction, Mr O told us he couldn't meet his basic living needs and had to borrow money to pay his rent. Given the restriction applied lasted a little less than two months, I'm persuaded the two weeks delay would have made a difference to Mr O.

It follows that Mr O should be compensated for the inconvenience of having to borrow money from friends and family. It's also highly probable that having to ask for money in this way caused some embarrassment to him. Lastly, having your account restricted in this way would cause some level of distress to an individual. TML's delay meant Mr O had to suffer this for longer than he needed to.

Next, I've considered if £100 is a fair award. On balance, I think it is. I say that because Mr O hasn't given any more information about the impact this matter had on him – and he has had opportunity enough to do so.

Lastly, and for the sake of completeness, our Investigator is right to say this service considers complaints on their individual merits and circumstance. I must, as I've already said, consider all the available evidence and arguments to decide what's fair and reasonable in the circumstances of a complaint. That is what I have done here.

My final decision

For the reasons above, I've decided to uphold this complaint in part. To put things right, Think Money Limited must pay Mr O £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 2 January 2022.

Ketan Nagla
Ombudsman