

## The complaint

Mr O is unhappy Advanced Payment Solutions Limited trading as Cashplus closed his account and thinks they have made a discriminatory decision.

### What happened

In October 2020, Cashplus restricted Mr O's account while they carried out a review. Around five days later, they decided to close Mr O's account and gave him 60 days' notice as per the terms and conditions of the account.

Mr O wanted to know why Cashplus closed his account – and specifically why he couldn't use the account to transfer money to his family in Nigeria through a third-party platform. So, he brought the complaint to our service.

Our investigator thought Cashplus were entitled to review Mr O's account and was satisfied they'd given sufficient notice when closing it. However, she wasn't satisfied their reasons for closure was fair - so she asked them to pay £100 compensation.

Cashplus asked for an ombudsman to review things. In summary, they confirmed their website states that they only accept international payments from limited countries – and therefore it stands to reason that they also don't have the risk appetite for outbound payments made to these countries either.

As an agreement couldn't be reached, the complaint was passed to me to review.

In an attempt to resolve things, I asked Cashplus for a copy of their risk policy document. Cashplus sent the relevant excerpt of the internal document relating to international payments.

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

*Cashplus are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They're also required to carry out ongoing monitoring of an existing relationship. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review.*

*It appears Cashplus asked Mr O questions relating to the account activity – and Mr O rightfully let them know he sometimes uses the account to send money to his family in Nigeria – through a third-party platform. It was around five days later, Cashplus made the decision to close Mr O's account; so, I'm pleased Cashplus were proactive in their review.*

*Having looked at what's happened, I'm satisfied Cashplus was complying with their legal and regulatory obligations when it reviewed Mr O's account. So, I can't fairly say they've done anything wrong.*

*Cashplus is entitled to close an account with Mr O, just as Mr O is entitled to close his account with Cashplus. But before Cashplus closes an account, they must do so in a way which is fair and complies with the terms and conditions of the account. The terms and*

*conditions of the account say that Cashplus could close the account by giving 60 days' notice. Cashplus have done this so I'm satisfied they've complied with this part.*

*I've then gone on to consider whether Cashplus' reason for closure was fair. I appreciate they're entitled to set their own policies and part of that will form their risk criteria. It's not in my remit to say what policies or risk appetite Cashplus should have in place. I can, however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.*

*I've thought carefully about the wording on Cashplus' website regarding international payments. It clearly states that inbound transfers can only be accepted from limited countries – and I'm satisfied Nigeria isn't listed. However, the website doesn't make it clear where customers can send money to – and whether or not they're entitled to use a third-party platform. In the circumstances of Mr O's case, I don't think it's reasonable for Cashplus to assume Mr O ought to have known he couldn't use a third-party platform provider to send money to his family in Nigeria. If the website, or terms, made this point clear, Mr O may have avoided using his Cashplus account for this purpose – and therefore could have avoided the closure altogether. While I can't base my decision on what would have happened in hindsight, I'm not satisfied Cashplus has treated Mr O fairly because they didn't make their policies on outbound transfers through another provider clear. Therefore, I consider £100 compensation to be reasonable in the circumstances of this complaint. I say that because Mr O has experienced distress and inconvenience of having his account closed due to innocent activities.*

*I appreciate Cashplus has shared information with me which is deemed to be commercially sensitive. I wanted to let Mr O know that our rules allow us to receive evidence in confidence, so while I've considered this, I can't share the details with him directly. I appreciate Mr O is concerned that Cashplus may have made a discriminatory decision when closing his account. But I'm afraid, I can't reasonably agree. I'm satisfied Cashplus have a risk policy in place – and they're entitled to decide how their accounts operate. What's important to note here, however, is whether Mr O was aware he couldn't use the account in the way he did. And based on everything I've seen; I don't think Mr O did.*

So, overall, I was satisfied Cashplus reviewed and closed Mr O's account in the way they should have – and so I wouldn't likely ask them to re-open it. And while I was aware Cashplus are entitled to decide their own risk appetite, I didn't think they'd demonstrated that Mr O would have been aware of the limitations linked to outbound payments with the final destination as Nigeria. So, to recognise the inconvenience, I suggested Cashplus to pay £100 compensation to Mr O.

Neither Cashplus, nor Mr O, responded to my provisional decision with any further evidence or arguments.

### **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. In summary, I'm satisfied Cashplus were entitled to review and close Mr O's account as the account activity fell outside of their risk appetite. But I don't think Mr O would have reasonably be aware of the account limitation, so I find Cashplus caused undue distress in the circumstances of this complaint. Therefore, Cashplus should pay Mr O compensation to recognise this distress and inconvenience.

**Putting things right**

I find £100 compensation to be a suitable amount of compensation to recognise the distress and inconvenience this situation caused Mr O overall.

**My final decision**

For the reasons explained above and in my provisional decision, I uphold this complaint.

To put things right, Advanced Payment Solutions Limited trading as Cashplus should 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 6 February 2023.

Hayley West  
**Ombudsman**