

The complaint

Mr T complains that PayrNet Limited blocked his account and withheld the money in it. Mr T would like his money back.

Mr T held a Rizq branded account – who provided services on behalf of PayrNet – but I will refer to Rizq as PayrNet in this decision.

What happened

In January 2021, PayrNet blocked Mr T's account and held the money in it. Mr T said this money was to pay his bills and as he couldn't access it, it caused him to go into arrears.

Our investigator reviewed things and noted that PayrNet's actions seemed appropriate up until around 13 February 2021. He asked PayrNet for information and evidence relating to their actions after 13 February 2021. Despite asking PayrNet for this on a number of occasions, our investigator didn't receive anything. So, he asked PayrNet to return the money held in Mr T's account back to Mr T plus 8% statutory interest.

PayrNet didn't respond. Our investigator asked PayrNet again for evidence of their review, and asked them to respond to the view but they didn't respond.

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

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 so I've decided to uphold this complaint. And I'll explain why.

The crux of the issue here problem is I can't tell whether Mr T is entitled to the money held in his account as PayrNet haven't shared even basic information. I respect that PayrNet has internal policies and processes to follow along with legal and regulatory obligations. But they are also aware of our rules.

DISP 3.5.2 states, amongst other things, that an Ombudsman can *"reach a decision on the basis of what has been supplied and take account of the failure by a complainant or a firm to provide information that an Ombudsman has requested;"*

So, I've considered Payrnet's refusal/failure to provide information. I've also considered the fact that PayrNet are strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. They are also required to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customer's accounts – either in full or partially while they carry out the review. I haven't seen enough evidence to satisfy me that PayrNet was complying with their legal and regulatory obligations when they reviewed Mr T's account. I also haven't seen any evidence that PayrNet involved Mr T in the review by asking him appropriate questions such as proof of entitlement to the money in the account, or what the account was used for as example. So, I can't fairly say they've acted

appropriately.

It therefore follows that I think PayrNet should refund Mr T the full balance of the account if they haven't already done so. I also don't think it's reasonable that Mr T has been without his money for a long period of time. So, like our investigator, I think 8% simple interest should be paid on this amount.

Putting things right

Overall, based on the evidence received, I don't think PayrNet did enough to satisfy themselves that Mr T wasn't entitled to the money in the account – so I think they should refund him (if they haven't already) as he is now at a loss. And I think adding interest to the amount they refund him fairly compensates Mr T for the loss of use of his money.

My final decision

My final decision is that I uphold Mr T's complaint. PayrNet Limited should do the following:

- Refund Mr T the amount held in the account at the time it was reviewed if they haven't already.
- Calculate interest at 8% simple per year on the above amount. PayrNet should calculate this from the date they blocked the account up to the date they refund Mr T.
- HM Revenue & Customs requires PayrNet Limited to withhold income tax from the above-mentioned interest. PayrNet should give Mr T a certificate showing how much is taken off if Mr T asks for one.

Mr T needs to provide an up to date statement (dated in the last three months) to allow PayrNet to make the settlement. PayrNet must pay the compensation within 28 days of the date Mr T provides the up to date statement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 3 April 2023.

Hayley West
Ombudsman