

## **The complaint**

Mr A complains about Wirecard Card Solutions Limited's decision to close his Pockit account and withhold his money.

The Pockit account is a pre-paid payment card administered by Wirecard Card Solutions Limited.

## **What happened**

In March 2021, Wirecard blocked Mr A's account while they carried out a review. They asked Mr A for some documentation as part of the review which Mr A provided. Mr A explained that he used his account to transfer money from another source which he used to buy and sell goods. Mr A spent time trying to chase Wirecard for an update but didn't receive a response.

In July 2021, Wirecard asked for additional information from Mr A – Wirecard confirmed they weren't satisfied with what was provided but didn't ask Mr A for anything else.

In October 2021, Wirecard informed Mr A they were closing his account and attempted to return the money left in it to source in November 2021. Wirecard have since confirmed they are still holding the money as the return to source instruction wasn't successful.

Our investigator upheld the complaint. She didn't think it was reasonable for Wirecard to still be holding the money so asked them to return it to Mr A, including 8% interest and pay £250 for the distress and inconvenience caused.

Both Mr A and Wirecard agreed. However, Wirecard still haven't made the payment to Mr A – so the complaint has been passed to me for a final decision.

## **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.

### *The account review and closure*

Wirecard 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 new and existing relationships. That sometimes means they need to restrict customer's accounts – either in full or partially while they carry out their review. Having looked at what's happened, I'm satisfied Wirecard was complying with their legal and regulatory obligations when they reviewed Mr T's account in March 2021. So, I can't fairly say they've done anything wrong.

While Wirecard are entitled to carry out a review, we'd expect them to do so in a timely manner and without undue manner. When banks carry out reviews, it's common practice across the banking industry that the review will require additional information from the account holder. Often, the information required is related to the consumer's identity, proof of entitlement to recent payments or more details on what the account is used for. Based on the evidence I've seen, Wirecard asked Mr A for documentation and details on his account

usage on two occasions – in March 2021 and July 2021.

Wirecard decided to end their relationship with Mr A in October 2021. Banks sometimes choose to end their relationship with customers. This can be due to a number of reasons, and a bank isn't obliged to give a reason to the customer. Just the same as if Mr A decided to stop banking with Wirecard, he wouldn't have to explain why. Wirecard can only close accounts in certain circumstances and if it is in the terms and conditions of the account. Wirecard have relied on the terms and conditions when closing Mr A's account. This service won't generally intervene in a bank's commercial discretion. Wirecard exercised their right to no longer offer Mr A banking facilities and I've seen nothing to suggest that they've made an unfair decision. However, I haven't seen enough evidence to satisfy me why the review took so long, and why Wirecard continued to hold on to Mr A's money.

### *The money left in Mr A's account*

When Wirecard decided to close Mr A's account, they decided to return the money left in the account to source. I think it would have been helpful if Wirecard asked Mr A for proof of entitlement to these funds as part of their review. They didn't and therefore I've had to consider whether it was fair to them to attempt to return the money to source.

I've thought carefully about Wirecard's comments. They say they haven't been able to return the money to source and are still holding it – despite blocking Mr A's account almost two years ago. Having considered everything, I don't agree Wirecard carried out a thorough enough investigation to satisfy themselves, or me while considering this complaint, that Mr A isn't entitled to the money. It therefore follows that I think Wirecard should refund Mr A the full balance which was left in his account when they closed it in October 2021. 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, I don't think Wirecard did enough to satisfy themselves that Mr A wasn't entitled to the money in the account – so I think they should refund him as he is now at a loss. And I think adding interest to the amount they refund him fairly compensates Mr A for the time he was without his money.

They should also pay Mr A £250 compensation to recognise the distress and inconvenience caused to him by having to continuously chase Wirecard for almost two years.

### **My final decision**

My final decision is that I uphold Mr A's complaint. Wirecard Card Solutions Limited should do the following:

- Refund Mr A the amount of money left in his account (£405.90) on the date of closure.
- Calculate interest at 8% simple per year on the amount they refund Mr A. They should calculate this from 25 March 2021 to the date they refund Mr T.
- HM Revenue & Customs requires Wirecard Card Solutions Limited to withhold income tax from the above-mentioned interest. Wirecard should give Mr A a certificate showing how much is taken off if Mr A asks for one.
- Pay Mr A £250 compensation to recognise the distress and inconvenience caused.

Wirecard must pay the compensation within 28 days of the date Mr A accepts the decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 March 2023.

Hayley West  
**Ombudsman**