

The complaint

Mr S is unhappy that The Currency Cloud Limited (TCCL) decided to close his account and took too long to release money held in the account back to him. He's also unhappy about how TCCL handled things.

What happened

Mr S had a multi-currency account with TCCL, which he said he used for business purposes.

In September 2021, TCCL reviewed Mr S's account after it had received a fraud report from another bank concerning funds which were paid into Mr S's account. Whilst it completed its review TCCL blocked the account – which meant Mr S couldn't access the funds in his accounts. At the time this was around £300 in various currencies.

TCCL spoke to Mr S regarding the notification from the other bank. He said it was a buyer seller dispute after he'd provided services to a customer who wasn't satisfied. Mr S was happy for TCCL to return the money to person who'd raised the dispute. TCCL sent the money back to source on 20 October 2021.

Mr S's accounts were blocked from 27 September 2021 until 17 December 2021 when TCCL returned the funds in Mr S's account to him. And closed his account.

During the time the account was blocked Mr S telephoned TCCL to try and find out what was happening with his account and the reasons behind TCCL's actions. TCCL didn't provide Mr S with much information and said it was acting in line with the terms of the account and regulatory obligations. Mr S repeatedly asked TCCL to reopen his account. TCCL told Mr S it wasn't willing to provide him with an account.

Unhappy with this response Mr S brought his complaint to this service. He explained that the restrictions on his account had made it very difficult to manage as he used the account to run his business. He also said that whenever he contacted TCCL the staff were rude and abusive to him. Mr S said that the whole experience had been upsetting and stressful. So, he said TCCL should pay him compensation for the trouble and upset he suffered as a result of TCCL blocking and closing his account.

One of our investigators reviewed the complaint. He thought TCCL hadn't done anything wrong when it blocked and closed Mr S's account. He said they'd acted in line with their legal and regulatory obligations in doing so. And had treated him fairly when it decided to close the account. However, he said TCCL took too long to complete its review and could've done things much quicker. So, she said TCCL should pay Mr S £100 compensation for the distress and inconvenience the time it had taken to complete its review had caused him. And 8% interest on the balance of Mr S's account from 11 October 2021 until 17 December 2021 for loss of use of the funds in the account.

Mr S disagreed. He said that the compensation didn't adequately reflect the amount of upset he'd been caused. He said TCCL should pay at least £200 compensation. TCCL also

disagreed. It said it hadn't taken too long to return Mr S's funds. It explained that it had continued to review Mr S's account and had to complete various administrative processes and exchange Mr S's funds so that it could be paid into an overseas account.

As no agreement could be reached the complaint was passed to me decide. On 13 February 2023 I issued a provisional decision in which I said the following:

I'll deal first of all with TCCL's decision to restrict Mr S's account whilst it looked into the concerns expressed to it by the other bank about payments Mr S had received into his account. Having looked at all the evidence, including what Mr S said about the payment, I don't believe it was unreasonable in the circumstances for TCCL to have acted in the way that it did. Fraud is a serious matter, and one way financial businesses and banks can help to tackle fraudulent payments is by restricting accounts when allegedly fraudulent payments are received into them. And that's what happened here.

TCCL has explained that this was its standard procedure, and I accept that it was. That's in line with what most financial businesses would do in the same situation. And it enabled TCCL to consider how best to react to the report it had received from the other bank.

Mr S was hoping to use his account to carry on providing business services – in other words to make money. And he needed to be able to meet the cost of his everyday living expenses including paying his rent. So, I can understand why he found this experience with TCCL stressful and upsetting. And why he wants the bank to pay him compensation.

But as the investigator has already explained, banks have a legal obligation to comply with various laws and regulations. Having looked at all the evidence, I'm satisfied that TCCL was complying with its obligations when it blocked and reviewed Mr S's account. So, whilst I accept this caused Mr S inconvenience, I can't say TCCL treated him unfairly when it blocked his account. So, it wouldn't be appropriate for me to award Mr S compensation since I don't find TCCL acted inappropriately in taking the actions it did.

I understand that Mr S wants TCCL to provide a proper explanation for why it applied the block to his account in the first place. And I can see that Mr S asked TCCL to explain itself on several occasions. But TCCL is under no obligation to tell Mr S the reasons behind the account review and block, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr S this information. And it wouldn't be appropriate for me to require it to do so. Having said that I can see that TCCL did speak to Mr S about the payment it sent back to source, so I think it's likely Mr S had some understanding about why TCCL blocked his account in the first place.

However, while TCCL are entitled to carry out a review, we'd expect them to do so in a timely manner and without undue delay. TCCL initially blocked Mr S's account in September 2021. I can see that TCCL carried out a review and decided to send a payment back to source on 20 October 2021. However, following this, Mr S's account remained blocked until 17 December 2021, when TCCL returned his balance and closed his account.

I can't see that TCCL asked Mr S for any more information or that it was conducting any further enquiries. From looking at TCCL's submissions it seems nothing further was done to move things along until mid-November 2021. It's also not clear to me why TCCL didn't take the actions it did on 17 December 2021 – to close Mr S's account and release his funds on 20 October 2021 once it was able to return the funds to source. Especially as TCCL had already told Mr S in an email on 5 October 2021 that it was no longer willing to provide him with an account. So, I'm satisfied, based on the information I currently have, that TCCL has caused unnecessary delays in releasing Mr S's funds.

The investigator has recommended that TCCL pay Mr S £100 compensation and 8% interest for taking too long to release Mr S's funds. In response to the investigator's view Mr S said that the compensation amount doesn't adequately reflect the amount of trouble and upset he suffered. Mr S wants £200.

I've considered what Mr S has said about how TCCL's actions impacted him. I've no doubt this was a worrying and upsetting time for him but for me to award more compensation I'd have to be satisfied that the delays caused an unreasonable level of inconvenience and financial loss. And despite being asked to do so Mr S hasn't provided evidence to support any financial losses that he's mentioned. So, it wouldn't be fair of me to tell TCCL to pay financial loss or compensation for something there's no evidence of.

Turning to awards for non-financial loss there isn't a set formula that we use to calculate awards for particular mistakes or poor service. It's my role to consider what impact TCCL's actions have had on Mr S and decide, within guidelines set by our service, whether compensation would be appropriate in the circumstances.

Based on the evidence I've seen I think it's fair to say the delays caused by TCCL when it reviewed Mr S's account caused him worry and upset. And I agree some compensation is appropriate for this. I say this because Mr S had to spend time contacting TCCL and had to wait nearly three months for TCCL to release his funds. So, I can appreciate this would've been inconvenient and upsetting for him. And it's only right that TCCL recognises this. However, I'm satisfied that £100 is a fair amount of compensation and proportionate to the trouble and upset Mr S was caused. So, while Mr S may disagree with me, I'm satisfied that the £100 compensation recommended by the investigator recognises the impact TCCL's actions had in the overall circumstances of this complaint.

As I've already said, I'm satisfied that TCCL should have released Mr S's funds back to him on 20 October 2021. So, it should also pay Mr S 8% interest from this date until 17 December 2021 to compensate him for loss of use of his funds. In reaching this conclusion I've also kept in mind TCCL's submissions regarding how Mr S was operating his account. But I've not seen any evidence to suggest Mr S wasn't entitled to the remaining funds in his account.

I then turn to the TCCL's decision to close Mr S's account. As the investigator has already explained, it's generally for financial institutions to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Each financial institution has its own criteria and risk assessment for deciding whether to open or close accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

Having looked at all the information available to me, including TCCL's actions and the information it's provided I'm satisfied that their reason(s) for closing Mr S's account sit within their commercial freedom. I'm also satisfied that TCCL acted in line with the account terms and relevant regulations. So, I can't say TCCL has done anything wrong or treated Mr S unfairly when it closed his account. And I won't be asking TCCL to reopen Mr S's account.

Mr S is also unhappy about the level of service TCCL provided to him when he was trying to sort things out with his account. He's said that TCCL staff were rude and abusive to him. I've listened to the call recording of available phone conversations that Mr S had with TCCL. And reviewed emails between them. I haven't seen any evidence that TCCL were rude or abusive towards Mr S – in fact from what I've read and from listening to calls it's Mr S who

behaved rudely and abusively towards TCCL. TCCL's advisors were polite, listened to Mr S and tried to be helpful by explaining that it wasn't willing to reopen an account for him. So, I can't TCCL provided Mr S with poor service.

My provisional decision was to uphold Mr S's complaint and direct The Currency Cloud Limited to do the following to put things right

- *Pay Mr S a total of £100 compensation for the trouble and upset caused by the time taken by The Currency Cloud Limited to return his account balance to him*
- *Calculate interest at 8% simple per year on Mr S's account balance. The Currency Cloud Limited should calculate this from 20 October 2021 until 17 December 2021*

Mr S accepted my provisional decision. TCCL didn't respond.

Now both sides have had an opportunity to comment I can go ahead and issue my 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.

As neither party has provided anything new for me to consider, I see no reason to depart from my provisional findings. I remain of the view that this complaint should be partly upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

My final decision

My final decision is that I uphold Mr S's complaint in part. To put things right The Currency Cloud Limited should:

- Pay Mr S a total of £100 compensation for the trouble and upset caused by the time taken by The Currency Cloud Limited to return his account balance to him
- Calculate interest at 8% simple per year on Mr S's account balance. The Currency Cloud Limited should calculate this from 20 October 2021 until 17 December 2021

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 April 2023.

Sharon Kerrison
Ombudsman