

The complaint

Ms M complains Wirecard Card Solutions Limited returned funds she held in an account to source, and they've failed to provide confirmation of when they returned those funds.

What happened

Ms M had an account with one of Wirecard's agents. To keep things simple, I'll refer to Wirecard in this decision.

Wirecard froze Ms M's account in October 2019 to carry out a review. They asked her for information about her account activity and a payment she attempted to make. She provided some information but refused to provide supporting evidence.

Wirecard completed their review and sent Ms M a letter in April 2020 saying they were closing her account and would return the funds in it to source. Since then, Ms M says Wirecard haven't returned the funds. She says she checked with the account holders regularly and their bank statements don't show payments being credited.

There have been two views issued by investigators on Ms M's complaint. I have only summarised the last view since it is the last outcome which was reached.

Our investigator found:

- Wirecard could block Ms M's account to carry out a review to meet their legal and regulations.
- Wirecard asked Ms M fair questions, but she failed to provide sufficient evidence to support what she had said. She hadn't shown her entitlement to the funds in the account. Although Wirecard took a long time to complete their review, as Ms M hadn't shown her entitlement to the funds it wasn't fair to award her compensation on this point.
- Wirecard were able to close Ms M's account the way they did.
- Wirecard provided information to Ms M in early April 2020 letting her know the amounts they would return and the names of the account holders. They said they would return the funds in 10 working days.

Ms M contacted Wirecard multiple times after this time saying the account holders hadn't received the funds. She provided our service with a statement for the account of one of the account holders which didn't show funds being recredited around the time Wirecard indicated they would be.

- Wirecard failed to show proof that they returned the funds to source. Considering the amount of communication between Ms M and Wirecard on this matter, their failure represents poor customer service. As a result, they should pay Ms M £150 and provide her with details of when the funds were returned, the amount returned and to whom.

Wirecard agreed to pay the compensation and said they were attempting to get the returned payment information. They have yet to provide that information and Ms M says she hasn't received her compensation. So, her complaint has been passed to me to make a final decision on as an ombudsman.

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.

I've decided to uphold Ms M's complaint. I'll explain why.

- Wirecard have important legal and regulatory obligations to meet when providing accounts. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarized as a responsibility to know their customer, establish the source and purpose of funds in an account, and where possible to detect and prevent financial harm and crime.
- Wirecard will monitor and review accounts to comply with their responsibilities. And it's common industry practice for firms to restrict access to accounts to conduct a review - doing so helps prevent potential harm that might otherwise result. I've considered the reasonability of Wirecard's decision to block Ms M's account in this light, and I find it was fair.
- Wirecard should still complete a review in a timely way, and they took a long time in the circumstances of this complaint. But I don't find it fair to award compensation for the length of time they took given Ms M failed to provide them with the evidence they asked for.
- I'm satisfied Wirecard were able to ask questions of Ms M and for evidence. She may have found Wirecard's questions intrusive, but their responsibilities are overriding. As Ms M failed to provide satisfactory evidence, Wirecard could fairly return the funds in her account to source - she had failed to establish her entitlement to them.
- Wirecard have the commercial discretion to end a relationship with a customer as long as they comply with their terms and conditions. They don't have to reveal the reasons behind their decision to block or close an account to a customer, and there are often good explanations for this, such as their reasons being commercially sensitive. I'm satisfied Wirecard acted fairly by closing Ms M's account for a legitimate reason. I'm also satisfied they don't need to tell Ms M their reason(s).
- Wirecard revealed to Ms M the names of the account holders to whom they would return funds and the sums they would return. They offered this information freely, so I find it reasonable for them to confirm to Ms M when those payments were made, what sums were paid and to which accounts.

Ms M has gone to some lengths to obtain this information, which is understandable given the expectation Wirecard gave her. So, Wirecard's failure to provide reliable confirmation of the returned payments must have caused her frustration and inconvenience. I find £150 is fair compensation to put matters right.

I was sorry to hear about how Ms M says she was affected, but I don't find larger compensation would be reasonable given the context of her failure to supply the evidence Wirecard asked for. Neither do I find awarding her compensation equivalent to the sum of the payments Wirecard say they returned reasonable given her failure to establish her entitlement to those funds.

Putting things right

- Subject to Ms M accepting this decision Wirecard need to pay her £150 unless they have already done so. They must make the payment within 28 calendar days of Ms M's acceptance of this decision being communicated to them. I note Ms M has already provided them with her account information to make payment.
- They must provide Ms M with confirmation on who they returned the payments to, the amount they returned to each account, and when it was returned. This information must be provided within 28 days calendar days of Ms M's acceptance of this decision being communicated to them.

My final decision

I have decided to uphold Ms M's complaint for the reasons I have given above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 30 May 2023.

Liam King
Ombudsman