

## **The complaint**

Mr J complains Lendable Ltd, trading as Zable, blocked and closed his credit card account without explanation.

To put things right, Mr J wants Zable to re-open his account, and pay compensation for the distress and inconvenience he's suffered.

## **What happened**

In January 2023, following an investigation, Zable blocked Mr J's account. Zable asked Mr J to provide his external bank statements and an explanation for the purpose of the payments on his account. Mr J sent Zable the information it requested.

In February 2023, Zable notified Mr J that it had decided to close his account with immediate effect. Unhappy with Zable's actions, Mr J complained. Zable did not uphold Mr J's complaint saying its actions were in line with the terms of the account.

Mr J referred his complaint to this service. One of our Investigator's looked into Mr J's complaint, and they recommended it wasn't upheld. In summary, they made the following key findings:

- Zable has its own criteria and risk assessment for deciding whether to open (or close) accounts. Zable can place restrictions without providing an explanation either while the restrictions are in place, or after they've been removed. Nor does it have to give customers prior notice of any restrictions
- Zable closed Mr J's account in line with its terms and conditions
- As the information provided by Zable is commercially sensitive, it doesn't need to be shared with Mr J

Zable agreed with what our Investigator said. Mr J didn't agree.

Mr J added that the balance on the card was above its limit when frozen in January 2023. And by not giving him any notice of closure, Mr J was forced to pay off the balance causing him financial difficulty. Mr J also says he has a right to an explanation for why Zable did what it did.

As there is no agreement, this complaint has now been passed to me to decide.

## **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 not to uphold this complaint. I'll explain why.

Financial businesses in the UK, like Zable, are strictly regulated and must take certain

actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means regulated businesses need to restrict, or in some cases go as far as closing, customers' accounts.

Zable has given this service information and an explanation as to why it blocked Mr J's account in January 2023. Having carefully considered this, I'm satisfied it was acting in line with its obligations in doing so.

Zable is entitled to close an account just as a customer may close an account with it. But before Zable closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which Zable and Mr J had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice. I note both the terms of the account, and the credit agreement Mr J agreed to when opening the account, set out the grounds for when Zable may close an account with less than two months' notice.

Having looked at the information given to me by Zable, I'm satisfied it was entitled to close the account in the way that it has done. I know Mr J would like a detailed explanation as to why Zable acted in this way. I also note he feels he has a right to this. But Zable is under no obligation to do so.

I would also add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Zable has provided is information we consider should be kept confidential.

Mr J says he was forced to pay off his credit balance in one go given the account was being closed immediately, which caused him financial difficulty. But I don't think Zable did anything wrong in closing the account in the way it did. And if Mr J couldn't afford to pay it off in one go, he should have been able to discuss this with Zable. But as Mr J proceeded to pay it off without speaking to Zable, I can't say its failed to treat him with the forbearance it may otherwise have been expected to have.

Its also worth noting too that credit cards are generally payable upon demand.

Mr J says this matter has caused him distress and inconvenience. I do appreciate this matter would've caused him some difficulty. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Zable given I don't think it's done anything improper here.

So I'm not going to ask Zable to compensate Mr J for any distress and inconvenience this may have caused.

### **My final decision**

For the reasons above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 28 February 2024.

Ketan Nagla

**Ombudsman**