

The complaint

Mr K complains AIB Group (UK) Plc, trading as AIB (NI), unfairly closed his bank account and have discriminated against him due to his age.

To keep matters simple, I will refer to “AIB” in the rest of the decision.

What happened

In November 2022, AIB asked Mr K about some of the transactions on his account – and momentarily blocked his account whilst doing so. Mr K explained the payments related to the sale of watches.

Following an internal review, AIB notified Mr K in January 2023 of its intention close his student account within two months’. Unhappy with AIB’s decision, Mr K complained.

AIB didn’t uphold Mr K’s complaint. In summary, it made the following key points:

- AIB can close a customer’s account at any time. And where possible will give two months’ notice, which it did here
- The decision to close the account was based on several credits into Mr K’s account which he’d been advised were not in line with how such an account is expected to operate
- Selling watches is classed as a business activity and should be processed through a business account

Mr K then referred his complaint to this service. Mr K has made several points for this service to consider. I’d like to assure Mr K that I’ve reviewed everything he’s said, but some of the key points are:

- Mr K had legitimate reasons for the transactions related to the watches as they were investments
- It seems AIB suspected Mr K of committing a crime solely based on his age. Mr K was scrutinised and questioned more rigorously compared to others. The stark contrast in treatment based on age is evidence of age discrimination

One of our Investigator’s looked into Mr K’s complaint. They recommended the complaint wasn’t upheld. In short, they said:

- Mr K received large payments into his account, so AIB asked him about the origin of his funds. AIB acted reasonably when asking for information about these payments and blocking the account whilst it did so. AIB acted in line with its legal obligations when withholding funds and questioning Mr K about them
- AIB decided Mr K was receiving business credits and not operating the account as he had initially told it. AIB acted in line with the terms of the account when deciding to

close it by giving Mr K two months' notice. As AIB didn't do anything wrong, it doesn't need to re-open Mr K's account

- Having considered the evidence, they didn't think AIB had discriminated against Mr K

Mr K didn't agree and asked for an ombudsman to look at his complaint afresh. Mr K's 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 Mr K's complaint. I'll explain why.

AIB is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. That sometimes means AIB needs to restrict, or in some cases go as far as closing, customers' accounts.

AIB asked Mr K to explain certain payments into his account and asked for evidence related to this. Mr K explained they related to the sale of watches – and sent in corresponding invoices. AIB blocked Mr K's account for a short while whilst this review happened.

Given AIB's obligations, I'm satisfied it acted in line with them when carrying out its review and applying restrictions pending evidence of the source of funds.

Shortly after, AIB decided to close Mr K's account with two months' notice. I should add that a bank is entitled to close an account just as a customer may close an account with a bank. But before a bank 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 AIB and Mr K 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.

AIB gave Mr K two months' notice. And though it's not obliged to, explained in its final response to Mr K that it had closed the account as he was using it for business purposes and that's not what the type of account he had should be used for.

Mr K doesn't agree that he was using it for business purposes and says that he was never made aware he couldn't. I've looked closely at all the invoices I've been sent for Mr K's watches, and the accounts statements. I also note Mr K was accepting international payments for his watches.

After carefully weighing this up, I'm persuaded AIB reasonably concluded Mr K was using his account for buying and selling watches – which is business activity given his objective would be to turn a profit. The terms allow AIB to close an account for a valid reason provided it's a proportionate and reasonable response to the underlying reason.

Mr K had a student account. This is a personal account and it's not uncommon for banks to not want them used for business activity. After all that is not their purpose. So I'm satisfied AIB closed the account in line with its terms – and did so fairly. That means it doesn't need to re-open the account.

Discrimination

Mr K says AIB acted in the way it has here because of discrimination due to his age. I'd like to assure Mr K that I've very carefully considered everything he's said about this. And I want to make clear I do not doubt how genuinely he feels about this matter and the upset AIB's actions have caused him.

While I appreciate this is Mr K's perspective, it is not my role to decide whether discrimination has taken place as a matter of law – only the courts have the power to decide this.

I have, however, considered the relevant law in relation to what Mr K has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010. But after doing so, I've not seen evidence to indicate Mr K has been treated unfairly. Mr K says he was asked excessive questions because of his age, but I'm satisfied that's not the case - but that it was reasonable exercise of AIB's review and obligations.

So, as I've said already, there are a large number of regulations and laws regulated financial businesses must take heed of in running customers' accounts. And it is in relation to those obligations that I find AIB decided to review and restrict the account. And for closing the account due to the way it was being used.

Compensation

Mr K says this matter has caused him trouble and upset. 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 AIB given that I don't think it's acted improperly or done anything wrong.

So I'm not going to ask AIB to compensate Mr K for any trouble and upset 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 K to accept or reject my decision before 19 April 2024.

Ketan Nagla
Ombudsman