

The complaint

Mr R complains that Advanced Payment Solutions Limited trading as Cashplus Bank (APS) blocked his account and unreasonably delayed in unblocking it.

What happened

Mr R is a sole trader. In relation to his business he has an account with APS. On 16 September 2023, his account was blocked. This was due to a large number of refunds Mr R had received into his account, which APS wanted to check the legitimacy of. On 20 September APS asked Mr R what was the purpose of the refunds. Mr R responded to this on the same day during a call with its Customer Service Team. He then made several telephone calls chasing a response and the account remained blocked. On 12 October, Mr R was asked to provide proof of payment for a particular refund. He responded the next day by email with copy documents. APS said it was unable to open the attachments, but didn't inform Mr R of this until 23 October. Mr R responded the same day providing the copy documents again, although APS contends it did not receive this evidence. He sent the documents again on 8 November.

Mr R complained to APS. He said that because there was money in his account which he needed to run his business, it was causing him financial problems and damaged his reputation.

Mr R's account was unblocked on 9 November. He says he wasn't informed of this and only found out by checking his account on 16 November.

On referral to the Financial Ombudsman Service, our Investigator said the account should have been unblocked much sooner. And that due to the unnecessary delays and the impact this had on Mr R, APS should pay Mr R £350 compensation

APS disagreed. It said that at the time of sending its final response letter (FRL), Mr R still hadn't sent in what was needed in a form that it could open so it disagreed that the time the account was restricted was excessive.

The matter has been passed to me for an Ombudsman's consideration.

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.

First of all, I have considered whether APS acted reasonably in blocking the account in the first place. Under its terms and conditions it does have the right to block an account. Here APS says it blocked the account because of multiple transactions which were refunds. It wanted to check the legitimacy of those refunds.

So I think APS acted reasonably in blocking the account. But we would expect it to act promptly to take the necessary steps to unblock the account. Here the account was blocked

on 16 September and Mr R was first contacted on 20 September. In a phone call on that day he provided answers to all the questions asked of him. However, APS didn't request copy documents until 12 October, which I think was an unnecessary delay. After providing those documents in an e-mail of 13 October, APS didn't tell Mr R that it couldn't open the documents until 23 October, and then only because he chased up the matter by phone.

Mr R says he resent the documents, providing screenshots of them, in an e-mail of 23 October. In its FRL of 8 November, APS said that it did not receive that e-mail and has repeated that to this service. Mr A has shown us a copy of the e-mail he sent. It is addressed to the same e-mail address as before, so there is no reason to suppose that APS wouldn't have got it. I'm aware that whilst emails can go astray or end up in "junk" folders. Mr R consistently replied to any queries either the same day or the next day. And I think it likely that APS did receive the e-mail which for some reason didn't end up with the review team.

It also seems to me that APS was not proactive in unblocking Mr R's account. It took three weeks for it to get back to him after he responded to the initial questions. Then a further eleven days expired before it told him that it couldn't open the documents in his e-mail, and then only in response to Mr R chasing the matter. Finally it took no steps to deal with the matter until after Mr R made a formal complaint, and it didn't tell him it had unblocked the account.

I think, in light of the block that was applied, and in the knowledge that this was a business account, APS was responsible for a long delay in getting the account unblocked. I'm persuaded that this had an impact on Mr R running his business. He is a sole trader and during that time the account was blocked he needed funds to run his business. I think a £350 compensation figure is fair and reasonable.

Putting things right

APS should pay Mr R £350 compensation.

My final decision

I uphold the complaint and require Advanced Payment Solutions Limited trading as Cashplus Bank to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 20 June 2024.

Ray Lawley
Ombudsman