

## The complaint

A has complained that Tide Platform Limited (“Tide”) closed its account after providing only 5 days’ notice and didn’t give a reason why.

## What happened

On 15 June 2023 Tide wrote to A to explain that it had reviewed A’s account and following that review, it had decided it could no longer provide A with an account. Tide explained that A had 5 days to remove any remaining funds from the account, before it would be closed.

Unhappy with this, a director of A complained to Tide. Tide issued its final response letter on 28 June 2023 and did not uphold the complaint. Tide explained that it was unable to provide its reasons why the decision was taken to close the account, and referred to the section of its terms and conditions relating to account terminations.

A director of A referred the complaint to this service. They complained that Tide had breached its own terms and conditions by providing 5 days’ notice and they were unhappy that Tide had not explained why it had taken the decision to close the account.

One of our investigators assessed the complaint and they didn’t think that Tide had acted unfairly or unreasonably, so they did not uphold the complaint.

The director of A disagreed with this, so the matter was referred for a final decision.

I issued a provisional decision on 8 March 2024, explaining why I thought the complaint should be upheld. I have included an extract of my provisional decision below and it forms a part of this decision.

### ***“What I’ve provisionally 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 considered everything, I’m currently minded to uphold this complaint. I will explain why.*

*Tide has important legal and regulatory obligations it must meet when providing accounts to customers. These obligations are ongoing, so do not only pertain to when an account is opened. To comply with its obligations Tide may need to review an account and/or restrict its customer’s access. And it can ask a customer to provide information about their accounts. The terms and conditions of A’s account also permit Tide to review an account. This means Tide is entitled to review an account at any time.*

*A financial business is also generally entitled to close an account, providing it’s in line with the terms and conditions of the account. In this instance the terms of A’s account*

say that Tide can close accounts by providing 60 days' notice. They also say that in very specific circumstances, Tide can close accounts immediately. I won't list what those specific circumstances are here, as I can see that Tide has already provided the director of A with a link to its terms and conditions, with specific reference to section 23.3.

*I understand A wants Tide to explain the reasons why it decided to review and then close the account. But Tide doesn't disclose to its customers what triggers a review of their accounts. It's under no obligation to tell A the reasons behind the account review and closure, as much as the director of A may want to know what prompted it. So, I can't say it's done anything wrong by not giving A this information. And it wouldn't be appropriate for me to require it do so.*

*However, Tide needs to provide information to this service so we can fairly decide a complaint. Tide has provided evidence to explain why it decided to close A's account under the immediate closure options - although in this instance chose to give A 5 days' notice first.*

*Having reviewed the evidence and Tide's terms and conditions, I'm unable to see that any of the reasons listed under the immediate closure option have been met. As such, based on what I have seen so far, I don't think it was fair that Tide closed the account with only 5 days' notice. In the circumstances, I think that if Tide wanted to close A's account, then it should've provided A with 60 days' notice that the account was due to be closed, in accordance with its terms and conditions.*

*Turning now to the impact this had on A and putting matters right, the director of A has asked that Tide reopen the account. However, although Tide may've closed the account prematurely, it was still reasonably entitled to decide to close A's account. As such, I don't think it would be appropriate to instruct Tide to reopen the account, because had things gone as they should've and Tide given A 60 days' notice, the account still would've been closed.*

*The director of A says that A had been dormant since the pandemic, so I don't think the impact from the closure of the account would've been as great then if A had been actively trading at the time. The director of A has however said that A lost out on a contract worth £10,000 because A's account was closed. However, A has not provided evidence that it lost out on such a contract, and more importantly, it has not provided evidence to show that the reason why it lost out on the contract was specifically because A's account had been closed. I have also considered that - even if the closure of the account did somehow impact A's ability to win a contract - I can't rule out the possibility that had things gone as they should've and the account was closed 55 days after it was, that A's ability to carry out the contract may've still been affected.*

*So based on the evidence I have seen I'm unable to say that Tide's premature closure of the account can reasonably be held responsible for A losing out on the aforementioned contract.*

*But that being said, I can see that there were Direct Debits set up on the account, and there were a number of small payments being made from the account to different payees before it was closed. So I recognise that the premature closure of the account will no doubt have caused inconvenience to A in being unable to make such payments, that is until a new account could be opened elsewhere.*

**Putting matters right**

*So, having reviewed the circumstances, I currently think that Tide should pay £300 to A, for the inconvenience caused in closing A's account prematurely. I say this particularly as, after the 5 day notice period had expired, which is unlikely to have been long enough for A to have opened a new account elsewhere, A would not have been able to make the payments it had been making, and no doubt was required to keep on making, after the account was closed."*

After I issued my provisional decision, A did not respond. But Tide did and said that it was willing to accept most of my comments and accept the proposed outcome to resolve this complaint.

### **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 reviewed everything again, and as neither party provided any new information, I see no reason to reach a different outcome to the one I reached in my provisional decision.

So in summary, although I think that Tide was reasonably entitled to decide to close A's account, I think that it was unreasonable that Tide only provided 5 days' notice before it was closed. In the circumstances, I think that Tide should've provided 60 days' notice to A about the closure of A's account, in line with its terms and conditions.

### **Putting things right**

I think that Tide should pay £300 to A, for the inconvenience caused in closing A's account prematurely. I say this particularly as, after the 5 days' notice period had expired - which is unlikely to have been long enough for A to have opened a new account elsewhere - A would not have been able to make the payments it had been making from the account, and no doubt was required to keep on making, after the account was closed.

### **My final decision**

Because of the reasons outlined above and in my provisional decision, I uphold this complaint and require Tide Platform Limited, to do what I have outlined above to put matters right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 22 April 2024.

Thomas White  
**Ombudsman**