

## **The complaint**

Mr D complains PayrNet Limited, trading as Pockit, closed his account following a review. And despite him sending proof of entitlement, the funds in the account haven't been returned to him.

To keep things simple, I'll mainly refer to "Pockit" in my decision.

## **What happened**

In September 2022, following a review, Pockit blocked Mr D's account and asked him to provide evidence to show his entitlement to the funds, and their origin.

Mr D sent Pockit some information to show where the funds had come from and why they had been sent to him. Later, in December 2022, Pockit informed Mr D it had decided to close his account with immediate effect.

Pockit also informed Mr D that as it had closed his account in this way, it would return the remaining funds to source in line with its terms and conditions. Mr D was given a breakdown of what funds were sent back, and to what individuals.

Unhappy with Pockit's actions, Mr D complained. Pockit upheld Mr D's complaint in part. In summary, it said:

- Pockit was entitled to review and block Mr D's account as this is in line with its terms and conditions, and wider regulatory obligations
- Mr D's account was restricted because he didn't provide enough proof of the source of funds. Mr D didn't meet Pockit's risk appetite
- Pockit notified Mr D his account was being closed and the funds in it would be returned to source
- Pockit took longer than it should have in providing Mr D with a resolution to his complaint, because of this it would like to offer Mr D £50 compensation as full and final settlement to the complaint

Mr D didn't agree with Pockit said and referred his complaint to this service. Pockit offered Mr D £150 compensation to resolve his complaint – but Mr D didn't accept.

One of our Investigator's looked into Mr D's, complaint and they recommended it be upheld in part. In short, the key findings they made were:

- Pockit acted in line with its obligations in blocking and closing Mr D's account, but its decision to return the funds to where they had come from was incorrect and unfair
- To put things right, Pockit should return the funds in the account back to Mr D and pay 8% simple interest on this amount from November 2022 until settlement. And it should pay him £150 for the inconvenience he's suffered

- Mr D had provided Pockit with evidence to show why he had received the funds into his account. Pockit should have returned the funds back to Mr D the day he sent it the information it had requested

As Pockit didn't agree with what our Investigator said, this complaint was passed to me to decide. I then sent both parties my provisional decision and set out what I was planning to decide. For ease of reference, here is what I said:

#### Provisional decision

*"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'm planning on not upholding this complaint. I'll explain why.*

*Financial businesses in the UK, like Pockit, 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 financial businesses need to restrict, or in some cases go as far as closing, customers' accounts.*

*Pockit has sent me information to show why it reviewed, and blocked Mr D's account. Having carefully considered this, I'm satisfied Pockit acted in line with its obligations in doing so.*

*Pockit is entitled to close an account just as a customer may close an account with it. But before Pockit 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 Pockit and Mr D had to comply with, say that it could close the account by giving him at least 60 days' notice. And in certain circumstances it can close an account immediately or with less notice.*

*After carefully reviewing the evidence I've been provided, alongside Pockit's explanation, I'm satisfied it has acted in line with the terms of the account in closing the account in the way it has. So I don't think it has done anything wrong here.*

*That brings me to the crux of Mr D's complaint. That is, Pockit has acted unfairly in not returning the funds in the account to Mr D after he had provided it with information about its source and his entitlement to them.*

*Pockit has explained why it thinks its actions in returning the funds back to the accounts they came from wasn't improper. Firstly, I need to consider if Mr D was entitled to the funds in the account, and whether he had provided enough information to Pockit to show this.*

*After carefully reviewing all the evidence available to me, I'm satisfied Pockit hasn't done anything wrong in not returning the funds to Mr D. So I won't be asking it to return them to him – nor pay any compensation for being deprived of the funds.*

*I know Mr D would like a detailed explanation as to why Pockit acted in the way it did. But Pockit is under no obligation to do so.*

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

*Mr D says this matter has caused him financial difficulty, 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 Pockit given I don't think it's done anything wrong in blocking and closing Mr D's account - and in not returning the funds in the account to him.*

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

*I note Pockit offered Mr D £150 for the delay in its complaint handling. Pockit doesn't need to do anymore"*

The deadline for both parties to send further evidence and comments has now passed, so I will now decide 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.

Both Mr D and PayrNet haven't made any further submissions in response to my provisional decision. It follows therefore that for the reasons in my provisional decision – as above – I've decided not to uphold this complaint.

### **My final decision**

I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 1 April 2024.

Ketan Nagla  
**Ombudsman**