

The complaint

Mr A, trading as D, complains that Tide Platform Limited blocked access to his business bank account.

What happened

Mr A was a sole trader and had an account with Tide. In 2023, Tide blocked Mr A's account. It told Mr A it had placed a temporary pause on the account while it verified information about the account. Mr A says he was then contacted by his landlord. He says his landlord said Tide had been in touch with his landlord's bank and said that a rent payment he'd made was fraudulent. At this point Mr A complained to Tide.

Tide completed its review and decided to close Mr A's account. Mr A provided account details for his alternative account. Mr A asked Tide to send the funds to an account with another business. Tide did this. But Mr A says the other business then closed his account and returned the funds to Tide. Mr A has not subsequently received the funds.

As a result of all this, Mr A says he's lost his job and is being pursued by his creditors for unpaid bills.

Our investigator looked at this. She concluded Tide was acting in line with its legal and regulatory requirements. And while acknowledging the time this review had taken, she couldn't say there were avoidable delays.

Mr A disagrees. The complaint has been referred 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.

Financial businesses like Tide are subject to important legal and regulatory obligations. These mean they may need to carry out a review of an account at any time – and also mean that while it carries out this review it needs to restrict access to the account.

This is reflected in the terms and conditions that applied to Mr A's account. These allowed Tide to suspend Mr A's use of the account – and provide that the account may remain suspended until the reason for suspending usage has been resolved.

Where Tide suspends an account in these circumstances, it may not be able to give reasons. And while I accept that the suspension of an account is likely to lead to hardship, distress and inconvenience for customers, I'd only award compensation for this where I was first satisfied that the business had done something wrong.

Tide has supplied information in confidence. Our rules allow us to receive information in confidence and I'm satisfied this information is sensitive and so cannot be shared with Mr A. In summary, Tide has provided information about the review and the time it took.

I've carefully considered all the information I've received from Tide and Mr A. Having done so, I'm satisfied Tide was acting in line with its legal and regulatory obligations when it suspended Mr A's account. And while I acknowledge that Mr A would like to know the reasons for what happened, Tide doesn't need to give reasons – and nor would it be appropriate for me to tell Tide to share its reasons with Mr A, much as Mr A would like to know.

I'd expect Tide to complete its review in a timely manner. I acknowledge that from Mr A's perspective this has all taken a very long time, and that he hasn't received an explanation for what happened. Having reviewed everything, however, I'm not persuaded that matters would have been resolved any sooner. For similar reasons, I cannot conclude that Tide should now pay these funds to Mr A. Tide can let Mr A know if the position changes.

I've considered the other points Mr A has raised, but these don't change my conclusions.

My final decision

I don't uphold the complaint.

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

Rebecca Hardman
Ombudsman