

The complaint

Mr D complains that ZILCH TECHNOLOGY LIMITED unfairly blocked and closed his account.

What happened

Mr D says he shares the same name and address as his father. He says as a result ZILCH keeps telling him that he has a duplicate account which it doesn't allow. Mr D says he had a demand for the full account balance of just over £592 from ZILCH and its actions have caused distress. He says he will not pay the account balance until the issue is resolved.

ZILCH accepts it has made a mistake and has apologised. It says it has removed the account block and credited Mr D's rewards account with a £50 credit.

Mr D brought his complaint to us, and our investigator upheld it. The investigator thought ZILCH should pay £100 compensation and not limit that to a reward. The investigator thought Mr D still owed the balance.

Mr D accepts that view, but ZILCH hasn't responded.

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 have come to the overall view that ZILCH should pay £100 compensation directly to Mr D rather than a rewards credit.

There is no question here that ZILCH made a mistake. I do not need to repeat what took place, but I have no doubt Mr D was caused distress and inconvenience. I also accept that he would have spent some time trying to sort matters out and that there was an impact on his family life.

I can see that ZILCH has fairly apologised for what took place and so the only real issue for me to decide is the compensation amount. I agree with the investigator that £100 compensation is fair and reasonable. I don't think Mr D suffered any financial loss and I have not seen any evidence of an impact on his credit file. I find the balance is correctly owed to ZILCH and despite what took place, is Mr D's responsibility to repay.

I appreciate ZILCH made a credit to what is described as a rewards account. But we generally award compensation directly to a consumer and so ZILCH should pay Mr D directly that award.

Putting things right

ZILCH should pay Mr D £100 compensation rather than a £50 rewards credit.

My final decision

My final decision is that I uphold this complaint and order ZILCH TECHNOLOGY LIMITED to pay Mr D £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 21 September 2024.

David Singh
Ombudsman