

## **The complaint**

Mr B complains that Advanced Payment Solutions Limited blocked and then closed his account and that it has not returned to him all the money held on the account.

## **What happened**

Mr B held an account with Cashplus, which he used, amongst other things, for trading in crypto-currency.

In June 2023 Cashplus contacted Mr B to ask him about some of his recent crypto-currency sales. All the trades it asked about were with the same individual, whom I'll call "Mr L". Mr B provided evidence of those trades, which he said showed that they were legitimate and that Mr L had received what he paid for. He explained the security process conducted by the trading platform he had used and noted that Mr L's details on that platform matched the payer's details. He said that, if Mr L had disputed the payments, he had no reason to do so.

Cashplus then blocked Mr B's account and, on 19 June 2023, gave him 60 days' notice that it was closing the account. It asked Mr B to provide details of an account to which it should send funds. Initially, it said that needed to be a company account in the same name as the Cashplus account. Mr B pointed out that his Cashplus account was a personal one, and so it agreed to transfer funds to his personal account.

When the funds were transferred, Mr B noticed that he had received £755 less than he was expecting. He noted too that this was the total of all the trades he had made with Mr L. Cashplus said that those funds had been returned to source, but did not provide Mr B with any more information.

Mr B referred the matter to this service. In a preliminary assessment, one of our investigators said she thought Cashplus had treated Mr B unfairly. She recommended that it pay him £755 plus interest, and a further £100 in recognition of the inconvenience to which he had been put.

Cashplus did not accept the investigator's assessment and asked that an ombudsman review the case. It also provided – in confidence, as our rules allow – some more information about the money which was returned to source.

Having considered the case, I issued a provisional decision, in which I said:

*Banks and payment service providers are under legal and regulatory obligations, for example in respect of knowing their customers and understanding how accounts are being used. I am satisfied therefore that it was reasonable of Cashplus to ask Mr B about certain payments which were credited to his account.*

*Further, it is generally for banks and payment service providers to decide whether to provide, or to continue to provide, account services to any particular customer. They can exercise their commercial discretion in such matters and, as long as that discretion is exercised*

*legitimately, this service won't usually intervene. I have considered that issue here, and am satisfied that the decision to block and then to close Mr B's account was a legitimate one.*

*If they do so, however, they should usually give reasonable notice. In this case, Cashplus gave Mr B 60 days' notice. During that time, however, the account was blocked, so the effect was similar to immediate closure. I do note however that Mr B had another account, so I don't believe Cashplus's actions were unreasonable.*

*I turn then to Mr B's main complaint, which is the deduction of £755 which was returned to source. In deciding to return the funds to source, Cashplus will have relied to a large extent on what the sending institution concluded as a result of any investigation which it carried out. It may well be that Mr B acted in good faith (as the investigator found to be the case), but in the circumstances, I believe it was reasonable for Cashplus to act as it did.*

*Finally, the investigator said that Cashplus should refund pro rata the annual fee which Mr B for the account. I understand that it has agreed to do so, and will not therefore comment further.*

Mr B replied to my provisional decision with further comments. In summary, he said:

- My provisional decision had not covered everything he had raised in his arguments.
- It was not fair that the bank which had sent the funds to him had so much influence over the outcome of his complaint about Cashplus.
- He cannot now trade because he does not have a business account; Cashplus's actions have, in effect, closed his business.
- He carried out appropriate due diligence before making the trades. The individual who bought crypto-currency from him had taken the same action in respect of trades with other sellers.

Mr B also said that he was considering legal action and asked whether an Ombudsman's decision could be used in any such action.

### **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, however, I haven't altered my view from that which I set out in my provisional decision.

I noted in my provisional decision that Mr B had another bank account. That does not, of itself, mean that Cashplus's decision to close his account was reasonable. The relevance is rather that, if I were to conclude that Cashplus had acted unreasonably, the impact on Mr B is likely to have been less than if his only account had been closed. I have however concluded that Cashplus did not act unreasonably, so I don't need to discuss the effects of its actions – although I do understand them.

The Financial Ombudsman Service was set up as an informal dispute resolution service. That means that an Ombudsman's decision will not necessarily discuss in detail all the evidence and arguments submitted by both sides. Rather, it will concentrate on the key points, in keeping with the service's overall aim of being a quick and informal alternative to court action. That is what I have done here.

As I indicated in my provisional decision, I have no reason to think that Mr B acted other than in good faith. I have no doubt either that he carried out checks to seek to ensure that he was engaging in legitimate trading activity with genuine counter-parties. But I do not believe it was unreasonable for Cashplus to rely to a large extent on the investigations which other parties – including the bank or other institution from which funds originated – had carried out in deciding how to resolve the underlying dispute. After all, they had very much more information than Cashplus or Mr B did about the source of funds.

Finally, I am not aware of any reason why this decision (and other elements of this service's investigation into Mr B's complaint) should not be referred to in court proceedings. Indeed, there may be a duty on the parties to disclose it, although that is a matter on which Mr B would need to seek his own advice. Ultimately, though, it is for the court to decide on such matters.

### **My final decision**

Your text here

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 October 2024.

Mike Ingram

**Ombudsman**