

The complaint

Mr W complains about delays by Curve UK Limited after it blocked his account.

What happened

Mr W's explained that he has an account with Curve that allows him to make purchases abroad in other currencies without incurring a fee. Mr W travelled to France on 29 March 2024 and has explained he intended to use his Curve card whilst away. But on 2 April 2024 Curve emailed Mr W to advise it had picked up a suspicious transaction. Mr W's account was suspended by Curve.

Mr W responded to Curve on 2 April 2024 and confirmed the transaction was genuine, asking it to remove the account block as he was abroad at the time and needed to use his card. Mr W followed up with Curve on 3 April 2024 and 4 April 2024 but no response was received and the account block remained in place which meant he was unable to use his card. Mr W's explained that, as a result, he had to use another card with a different business and incurred £134.01 of foreign transaction fees.

Mr W returned to the UK on 7 April 2024 and Curve removed the account block on 9 April 2024.

Mr W went on to raise a complaint and Curve issued a final response on 30 April 2024. Curve said a payment had been identified as potentially suspicious by its fraud prevention systems which led to an email being sent to Mr W on 2 April 2024. Curve said the payment had been approved in line with its timescales and within five working days.

An investigator at this service upheld Mr W's complaint. They accepted that the payment had been reasonably held for further checks and account blocks applied after it was picked up by Curve's fraud prevention system. But the investigator thought Curve should've taken Mr W's circumstances into account, acted outside of its normal timescales and looked at his response sooner. The investigator asked Curve to cover the cost of the currency conversions Mr W had incurred. Curve asked to appeal and said it had reviewed Mr W's response to its fraud message within a week, or five working days. Curve added that its terms and conditions advise it isn't responsible for any losses caused by an account block. As Curve asked to appeal, Mr W's complaint has been passed to me to make a decision.

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.

I've been reasonably brief in setting out the timeline above as all parties broadly agree concerning the circumstances of Mr W's complaint. Curve accepts that Mr W emailed it back on 2 April 2024 to confirm the payment he tried to make on 1 April 2024 was genuine. But Curve says its process allows the fraud team to review and respond to an email of that nature within five working days, which it did. Curve's other point is that its terms specifically say it's not liable for losses caused by an account block.

I'll start by confirming that I accept Curve reasonably identified the payment in question as suspicious and out of character for Mr W's account. I understand that by applying account restrictions, Curve caused some inconvenience to Mr W, but I'm satisfied it was seeking to protect his account. Curve's terms and conditions allow it to take that step when there's a genuine concern about fraud and I'm satisfied that was the case here.

With that said, I haven't been persuaded that Curve treated Mr W fairly due to the length of time it took to respond to his 2 April 2024 email. Curve says its normal service standards allow it to review and deal with those emails within five working days. In practical terms, that meant Mr W had to wait a week before his card was unblocked. But in Mr W's communications with Curve he specifically explained he was abroad and needed the account blocks removed without delay as he was incurring costs by using a different card that applied charges for currency conversions. Whilst I understand Curve has a normal service standard, I agree with the investigator that there are times when it needs to consider taking quicker action.

I'm satisfied Mr W explained why it was particularly urgent for Curve to review his account when he responded on 2 April 2024. And I think the fact Mr W sent several follow up emails to Curve in the days that followed should've caused it to consider acting outside of its normal service standards. Had Curve taken a more flexible approach that took Mr W's specific needs into account, it could have removed the block sooner so he could use it whilst abroad.

Curve's pointed to its terms and conditions that say it's not liable for any losses caused by an account block. But, as I've said, I'm satisfied there were reasonable grounds to apply the account block following the unusual transaction Curve picked up. My concern is the length of time it took Curve to remove the account block after Mr W responded to confirm the transaction was genuine and that he needed urgent assistance.

As I'm satisfied Curve ought to have taken a different approach to Mr W's account block given his response on 2 April 2024 and follow up emails, I agree with the investigator that it's fair for it to cover his currency conversion losses. As a result, I'm upholding Mr W's complaint and directing Curve to refund the transaction fees Mr W incurred from 2 April 2024 until 9 April 2024.

My final decision

My decision is that I uphold Mr W's complaint and direct Curve to settle as follows:

- Reimburse Mr W for the foreign exchange transaction fees he incurred between 2 April 2024 and 9 April 2024
- Pay Mr W 8% interest from the date of payment to the date of settlement

If Curve considers that it's required by HM Revenue & Customs to deduct income tax from the interest, it should tell Mr W how much it's deducted. It should also give Mr W a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 November 2024.

Marco Manente
Ombudsman