

## **The complaint**

T a limited company complains about how Zempler Bank Limited handled a block on its account.

### Notes

Whilst this is T's complaint, it is brought by its director, Mr B as its representative. So, for ease of read I will refer to him.

Advanced Payment Solutions Limited trading as Cashplus Bank no longer exists. The business rebranded to Zempler Bank Limited. For simplicity I'll refer to the respondent business as "Zempler".

## **What happened**

A summary of what happened is below:

Mr B couldn't use his business bank card on 18 January 2024. He contacted Zempler about this. It said he should have received an email asking him to provide ID verification. Mr B said nothing had come through, but he provided the relevant information straight away, scanning, and sending the documents. However, the next day he couldn't get online access to the account either because it had been restricted until the review was completed.

Mr B raised a complaint. He said he hadn't been warned the account would be blocked. He had to cancel a customer that was arranged because he didn't have access to funds. Zempler told Mr B that the verification process could take up to five working days to complete, so he'd have to wait. A few days later, Zempler sent Mr B an email to say that the scanned documents he'd sent weren't in the acceptable format.

Mr B was extremely annoyed that he hadn't been told about the format in any of the earlier interactions he'd had. He said this would continue to disrupt his business, which included other customers and payments being returned to senders.

Mr B re-submitted the information in the format Zempler required and chased for an update over the next few days. He says he found Zempler extremely unhelpful, with one advisor telling him that it could take up to ten working days to complete the review and unblock the account. Mr B said this would have a significant impact on his day-to-day business.

On 1<sup>st</sup> February Zempler restored full access to the account. The following day, it sent a final response letter, explaining why it needed to conduct the checks and restrict the account. But, it also accepted there had been shortcomings in aspects of the service, specifically in rejecting the first set of documents that had been provided. To say sorry, it credited the account with £50.

Mr B didn't think this addressed the actual impact of what had happened to him, his wife (who had been assisting him) and his business.

One of our investigators upheld the complaint. He found that under Zempler's own terms and

conditions, there was scope to give notice before blocking the account. He was satisfied if Zempler had done that here, the disruption could have been significantly limited or negated, noting it had some months to do that, as it was a change of address in September 2023 that appeared to prompt the checks. He recommended Zempler pay £500 to resolve the complaint.

Zempler didn't agree. It said its only error was some of the customer service given. It had been complying with its regulatory obligations and wasn't liable for business losses under the account terms, which it felt the investigator's view was based on. It considered £500 excessive.

The case was put forward for 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 looked at what Zempler has said in response to the investigator's recommendation, but I agree with his conclusions, and for broadly the same reasons. I also don't have much to add to what has already been said.

It isn't in dispute that Zempler needed to do the verification checks. What's key here is how it handled matters. I've reviewed the terms and conditions and I'm satisfied these suggest Zempler can give notice. I refer to the section in the terms that say, "*If it is not possible to give you notice of the action*".

In light of this, I think it's reasonable to want to understand why it wasn't possible to give notice in the circumstances that applied. However, I haven't seen anything within Zempler's final response letter or submissions that provides an explanation, noting that a block on an account that's used for trading purposes is likely to cause significant inconvenience.

The available evidence shows that there was a change of address in September 2023, but verification checks weren't actually instigated until January. Considering the timeline, I'm satisfied there was sufficient time for Zempler to give T notice of what it needed and without the need to automatically apply a restriction.

Mr B provided information as soon as the issue became known, so I've no reason to think he wouldn't have done that in a timely manner had he been contacted earlier and before any restriction. In the circumstances, I don't think Zempler were proactive and so it's only right it recognises the impact its actions had.

I've noted Zempler's reliance on its exclusion of liability clause, but I don't think that's a reasonable position for it to adopt when its actions caused T difficulties. This is a complaint and not a court claim. Mr B has explained the significant time and trouble that arose having to re-schedule customers and how this affected T's day-to-day business operation over the period. Most of us rely on our accounts to get by, particularly if you're a business. I acknowledge that this also affected him and his wife personally but as our investigator explained, there are limits to whom I can make awards to and why. Having weighed everything, I consider a compensation payment of £500 to be a fair way to resolve this complaint. This is purely for the inconvenience caused to T as a result of its overall customer journey and isn't for any specific financial loss.

**My final decision**

My final decision is Zempler Bank Limited should pay T £500 in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 3 October 2024.

Sarita Taylor  
**Ombudsman**