

## **The complaint**

Mr G complains that The Co-operative Bank Plc stopped a payment from his account and then blocked and closed the account.

## **What happened**

On 26 April 2024 Mr G tried to make an online payment of £9,000 to a beneficiary, whom I'll call "V". Co-op Bank declined to complete the transfer and contacted Mr G to ask some questions about it. In particular, it wanted to know why the payment to V appeared to mirror a payment from V the day before. Mr G said that he was paying a friend, although he was unwilling to provide much by way of further detail.

Mr G later explained that he and his wife had been planning a holiday with friends and that the payment had been the friends' contribution. They had however changed their minds, and the payment on 26 April 2024 had represented the return of that contribution.

Mr G complained to the bank. It would not however say why the payment had been stopped or why Mr G's account had been blocked. It initially suggested that Mr G had been sent a cheque for the balance on the account – around £14,500 – but later accepted that had been an error. No cheque had been sent.

Mr G referred the matter to this service, where one of our investigators considered what had happened. She issued a preliminary assessment in which she did not recommend that the complaint be upheld. Mr G did not accept that assessment and asked that an ombudsman review the case. In the meantime, the bank closed Mr G's accounts and, at the end of October 2024, sent him a cheque for the balance on the account, which he says he has been able to cash.

## **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 have reached the same overall conclusions as the investigator, and for similar reasons.

Banks have certain legal and regulatory obligations. Sometimes, complying with those obligations might mean that they are unable to fulfil their customers' instructions, that they have to limit their customers' ability to operate their accounts, that they close accounts, or a combination of those things.

In this case, the bank did all of those things and, as a result, Mr G was without the funds in the account for around six months. I have no doubt this caused him some distress and inconvenience. It may have caused some financial loss too, and I note that some direct debits were cancelled.

In considering what's fair and reasonable in this case, this service has received some evidence which Co-op Bank has asked to be kept confidential. The rules of the Financial Ombudsman Service allow us to accept evidence in confidence (from either party), and I am satisfied that in this case the bank's request was a reasonable one.

Whilst I won't be sharing all the bank's evidence with Mr G, I have considered it very carefully myself and, having done so, I am satisfied that the bank's actions in stopping the payment, blocking the account, and then closing it were reasonable in the circumstances.

### **My final decision**

For these reasons, my final decision is that I do not uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 January 2025.

Mike Ingram

**Ombudsman**