

The complaint

Mr F complains that Epayments Systems Ltd restricted access to his funds. He'd like them released and compensation for the impact.

What happened

The facts which led to Mr F bringing his complaint to our service are well known to both parties, so I won't be repeating them in full here.

Part of Mr F's complaint regarding his account restriction has already been considered by me in a separate decision, I concluded that matters raised in two previous complaints, with final response letters issued in February 2020 and October 2022, can't be considered by our service. This means I'll only be considering Epayments decision not to release Mr F's funds after October 2022.

In summary, Mr F has an Epayments account. On 11 February 2020 the regulator, the Financial Conduct Authority (FCA) placed limitations on Epayments. This meant Epayments were unable to process any transactions until the limitations were lifted. And Mr F couldn't access his money. The original restrictions were lifted on 23 February 2022 and Epayments began the process of reviewing customers' accounts and refunding them.

But Mr F has yet to have his funds returned to him.

Mr F complained to our service. One of our investigators looked into Mr F's complaint. But on reviewing Epayments position, they concluded Epayments didn't act unfairly in refusing to release Mr F's funds as he failed to satisfactorily engage with the enhanced customer due diligence processes Epayments initiated prior to releasing the funds.

Mr F didn't agree, and he raised several points in response to our Investigator's view. In summary these focused on it being unreasonable for Epayments to demand certain information from him when it's his money, he'd like £180,000 compensation and as a service we should be able to consider all of the elements of his complaint. Not just those since October 2022.

As Mr F didn't agree it's been passed to me to decide.

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'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I

think is the right outcome. I do stress however that I've considered everything that Mr F and Epayments have said before reaching my decision.

As a regulated business Epayments have certain obligations which they must comply with. They are subject to regulation by the FCA. The FCA applied restrictions on Epayments for reasons widely publicised and also detailed on their company website. As a result, Epayments suspended their operations. This had a significant effect on Mr F.

Once Epayments agreed to suspend their operations to carry out the work required of them by the FCA they weren't able to return Mr F's funds. However, these have now been lifted.

I've reviewed the conversations between Mr F and Epayments from October 2022 to October 2023. Having done so I'm satisfied that Mr F failed to engage with Epayments request for documents on several occasions. I appreciate Mr F is of the view that Epayments aren't entitled to request such information, however I'm afraid I don't agree. Epayments are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They're also required to carry out ongoing monitoring of new and existing relationships. It's for Epayments to decide what information they need to meet their requirements, but having considered what Epayment's requested from Mr F – namely proof of the source of his funds and identification (his passport) – I don't find these requests unreasonable.

Our Investigator outlined several occasions where Mr F refused to provide requested information. I understand Mr F disagrees, however I'm satisfied looking at the online conversations between him and Epayments that he refused to provide several documents, including his income, the source of his income and his bank statement. Mr F claims he submitted accurate information to Epayments when receiving the first information request, but I'm afraid I can't agree here. At best Mr F has been unclear with Epayments about the source of his employment and of his income – and I don't find it unreasonable Epayments weren't confident to accept what he provided.

I've also seen several abusive messages that Mr F sent to Epayments. Epayments issued Mr F with a number of warnings, and eventually decided to stop contact with him. I don't find this response unreasonable – and I wouldn't expect Epayments staff to accept verbal abuse and threats as part of their employment.

Epayments have asked Mr F to provide an alternative bank account to allow the withdrawal of his funds. They explained that they aren't able to process transactions to his bank, as their payment processor won't allow payments to banks based in Mr F's country of residence due to sanction concerns. I understand this is inconvenient for Mr F – and he believes that Epayments caused the delays which led to their payment processor not being able to make payments to Mr F's bank. However, I can't agree – based on what I've already explained I'm satisfied Epayments decision not to release Mr F's funds due to requiring additional due diligence was fair. And in compliance with UK regulations. Therefore Epayments were acting entirely reasonably in delaying the release of Mr F's funds.

For Mr F to regain access to his funds I'd encourage him to provide the documents Epayments have requested, and provide an account where the funds can successfully be transferred to.

For the reasons I've outlined above I can't say Epayments actions were unfair. And I won't be asking them to do anything further.

My final decision

My final decision is I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 17 January 2025.

Jeff Burch
Ombudsman