

The complaint

Mr P complains Zempler Bank Limited, trading as Cashplus Bank, blocked his accounts and gave him conflicting information about what was happening, and gaining access to his funds.

To keep things simple, I will mainly refer to “Cashplus” in my decision. Mr P says Cashplus’ actions have caused him substantive financial difficulty, distress, and inconvenience.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

Following an internal review, Cashplus blocked all three of Mr P’s accounts in April 2024. Two of these accounts were sole trader business accounts and the other, a personal account. In April 2024, Cashplus informed Mr P it had decided to close one of his accounts and gave him 90 days’ notice. The funds for all three accounts were withheld by Cashplus whilst it carried out its ongoing review.

Unhappy with Cashplus’ actions, Mr P complained. Cashplus didn’t uphold Mr P’s complaint. In summary, Cashplus made the following key points:

- The accounts were restricted in line with its obligations and terms and conditions
- The customer service agent helped Mr P as best as they could, but agents are prohibited from speculating on why an account may be restricted or the progress of the review. The relevant information was provided to Mr P at the time by its customer service team
- As no updates were available, call-backs to Mr P were not actioned
- The review of Mr P’s three accounts is still ongoing

Mr P referred his complaint to this service. In July 2024, Cashplus released the funds it was withholding to Mr P’s nominated external account, and gave notice of its decision to close the other two accounts.

One of our Investigator’s looked into Mr P’s complaint, and they recommended it wasn’t upheld. In summary, they said Cashplus had acted in line with its terms and obligations when restricting and closing the accounts. They also didn’t think it was appropriate Mr P was paid any compensation based on the information they had seen related to the review.

Mr P didn’t agree and said his complaint was about how he had been treated by Cashplus and the service he’d received. And that he’d been told many times the review had completed, and he could get his funds back, when that wasn’t the case.

Our Investigator looked into Mr P’s complaint again, and they still didn’t think it should be

upheld. In short, their key findings were:

- Having listened to the call recordings with Cashplus, they understand why Mr P felt let down and frustrated by Cashplus – especially as he was promised call-backs that didn't happen. Calls with Cashplus caused Mr P confusion and frustration. But they can't recommend Cashplus pay Mr P compensation for the customer service issues he encountered. The information relied on to reach this conclusion is being treated in confidence
- Based on the account statement information provided, the correct balances were returned to Mr P
- It's understandable why Mr P might feel all his funds should've been returned when one of the accounts funds were returned in May 2024. But Cashplus hasn't caused any unnecessary delay and has acted fairly, and in line with its obligations, when continuing to block and withhold the funds it did

Mr P didn't agree. He said he wanted the Investigator to document all his withdrawals and deposits. And that they had only sent him the statements but no proof of payment. Mr P also questioned why his calls and emails haven't been documented, and why he was told he could have all his funds when only a partial amount was released initially.

As there was no agreement, this complaint has been passed to me to decide.

What I've decided – and why

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 Mr P and Cashplus have said before reaching my decision.

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, I have decided not to uphold this complaint. I'll explain why.

Banks in the UK, like Cashplus, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Cashplus needs to restrict, or in some cases go as far as closing, customers' accounts.

Cashplus has provided me with an explanation and supporting evidence as to why it reviewed and then restricted Mr P's personal and business accounts. After carefully considering this, I'm satisfied it acted in line with its obligations when doing so.

Cashplus is entitled to close an account just as a customer may close an account with it. But before Cashplus closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Cashplus and Mr P had to comply with, say that it could close the accounts by giving him at least two

months' notice. And in certain circumstances it can close an account immediately or with less notice.

Cashplus say it closed Mr P's accounts with 90- days' notice. But the accounts were restricted during the notice period. So I must treat the account closures as immediate given Mr P had no use of them or the funds in them.

Cashplus has explained and provided information as to why it decided to close Mr P's accounts in this way. After careful consideration, I'm persuaded Cashplus acted fairly and in line with the terms of the accounts in closing the accounts in the way it did.

I've looked carefully at whether Cashplus caused delay with its review, and whether it withheld Mr P's funds for a longer period than it fairly and reasonably ought to have. Having done so, I'm satisfied Cashplus didn't cause undue delay and acted in line with its obligations. I can understand why Mr P would like a detailed explanation as to why Cashplus took the actions it did. But Cashplus is under no obligation to do so.

That brings me to the crux of Mr P's complaint, that is, he was provided with poor customer service and conflicting information as to when his funds would be released.

I have listened to the call recordings Cashplus has provided to me of conversations between its customer service agents and Mr P. Having done so, I can see why he was left confused and frustrated as on most occasions he wasn't given any specific information about the release of his funds. I can also see why being given some money but not all caused him the distress it has. I note also that call backs were agreed but were never actioned by Cashplus.

These are all failings on Cashplus' part. But after considering what Mr P has said and the content of Cashplus' review, I don't find awarding Mr P compensation would be fair or appropriate. I understand Mr P would want to know the information I have weighed to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

Mr P has said he wants an itemised breakdown of withdrawals and deposits he made to ensure the correct funds have been returned to him. Our Investigator sent Mr P the account ledgers Cashplus sent this service which show transactions leading up to the final balance. Cashplus has also sent me internal technical information which shows the payments it made to Mr P relating to each separate account he held with it. I'm satisfied based on this information that the correct amounts were returned to Mr P.

If Mr P still feels this isn't the case and has information which he thinks shows he hasn't been paid the correct closing balance. He should raise this with Cashplus for it to investigate.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 3 February 2025.

Ketan Nagla
Ombudsman