

The complaint

Mr N complains that Paysafe Financial Services Limited (trading as Neteller) decided to close his account without providing an explanation.

What happened

The circumstances that led to this complaint are well known to both parties. As such, I'll provide only an overview of the most essential facts here.

Mr N had an account with Neteller which he opened in July 2022. Mr N has explained that he used the account to make international money transfers.

In April 2024, Neteller reviewed how Mr N was operating his account. Following this Neteller took the decision to close Mr N's account immediately.

Mr N complained to Neteller. In response, Neteller said it hadn't done anything wrong when it had closed his account and had done so in line with the terms and conditions of the account.

Mr N remained unhappy and brought his complaint to us. He said Neteller have treated him unfairly when it closed his account. To put things right he wants Neteller to reopen his account and tell him why it closed the account.

One of our investigators reviewed the complaint and didn't think Neteller had acted unfairly when it had closed Mr N's account. He also explained that Neteller didn't have to explain why it no longer wanted Mr N as a customer.

Mr N disagreed and asked for an ombudsman to review his complaint.

As no agreement could be reached the complaint has come 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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks and financial businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Neteller has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr N, but I'd like to reassure him that I have considered everything.

Mr N is unhappy that Neteller decided to close his account. He has said that he wants an account with Neteller. I appreciate the account closure inconvenienced Mr N and I'm

somewhat sympathetic to the position he finds himself in. But Neteller isn't obliged to continue its relationship with Mr N simply because he wants to bank with them.

As the investigator has already explained, banks are entitled to end their business relationship with a customer, as long as this is done fairly, doesn't breach law or regulations and is in keeping with the terms and conditions of the account. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Neteller is also entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Neteller should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

As long as banks and financial businesses reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide account services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Neteller have relied on the terms and conditions when closing Mr N's account. I've reviewed the terms, and they explain that Neteller can close an account for any reason by giving two months' notice. In certain circumstances, Neteller can also close an account without notice, which is what happened here.

For Neteller to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that Neteller has provided, including the information Neteller has provided to this service in confidence, I'm satisfied that Neteller did. And that it was entitled to close the account as it's already done. So, I can't conclude that Neteller treated Mr N unfairly when it closed his account. And I won't be directing Neteller to reopen Mr N's account.

I understand Mr N wants Neteller to explain the reason it closed his account. It can't be pleasant being told you are no longer wanted as a customer. But Neteller doesn't disclose to its customers what triggers a review of their accounts to its customers. It's under no obligation to tell Mr N the reasons behind the account review, as much as he'd like to know. It's also under no obligation to provide Mr N with the reasons it no longer wants him as a customer. So, I can't say it's done anything wrong by not giving Mr N this information. And it wouldn't be appropriate for me to require it do so now.

In summary, I realise Mr N will be disappointed by my decision. But based on the available evidence, I won't asking Neteller to do anything more to resolve Mr N's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 20 March 2025.

Sharon Kerrison
Ombudsman