

The complaint

Mr A complains that Paymentsense Limited (trading as Dojo) unreasonably closed his merchant account without notice. They have continued to withhold the remaining funds. He'd like the funds released.

What happened

Mr A entered into a merchant agreement with Dojo in September 2023 to accept card payments for his business. He says he attempted a few transactions to test that the system was working, using his own money. But then Dojo contacted him to say they had cancelled the agreement with immediate effect – and they would continue to withhold the funds received.

Unhappy with this Mr A complained to Dojo. They responded to say they were satisfied they had acted in line with the terms of their account.

Dojo later wrote to Mr A to ask for bank details to repay the remaining funds to. But they said they couldn't confirm that the account details Mr A provided matched with the entity they contracted with. As such they continued to hold on to the funds.

Mr A referred his complaint to our service. One of our investigators looked into it but didn't think Dojo needed to do anything further. Mr A disagreed, saying he'd supplied the correct details and wanted his funds returned.

As no agreement could be reached the complaint has 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.

The rules of our service allow us to treat certain evidence as confidential – such as if it contains security details, or information about third parties. In this case Dojo have supplied us with information about why they closed Mr A's accounts and are continuing to withhold the funds. Having considered this carefully I'm satisfied these should remain confidential – so it wouldn't be appropriate for me to detail these in full here.

Broadly, financial businesses have commercial discretion on who they provide accounts to – and it would be rare our service would say they should continue to provide an account after they've decided to withdraw services, unless there was very good reason to do so. Instead, we look to make sure that any closure decision was reached reasonably, and in line with the terms of the account.

Dojo haven't provided a detailed explanation to Mr A about why they closed his account, and I don't intend to direct them to do so. Overall, I'm satisfied that Dojo acted in line with the account terms when they closed his account. I see that the concerns that led them to this were valid, and so I can't say they've been unreasonable in the decision they took.

The terms of the account allow Dojo to retain funds after closure – the wording is quite broad in that it can “*up to 180 days (or sometimes longer than this)*”. So, while there is provision to hold the funds seemingly indefinitely, I would see it that Dojo should release the funds at the earliest available opportunity.

In this case I can see Dojo requested bank details from Mr A – so I don’t see that they’re completely unwilling to release the funds held. Dojo have explained to Mr A that they haven’t been able to verify the account details he’s provided belong to the entity that opened the account. It’s reasonable that Dojo only release the funds to the correct “entity”, in this case Mr A, as he is the owner of the funds in his capacity as a sole trader.

I’ve considered the information provided by both Mr A and Dojo. While I’m not going to go into detail about Dojo’s concerns, I’m satisfied that they are genuine and valid. I don’t see it as unreasonable that they’ve declined to release the funds.

Dojo’s letter to Mr A in August 2024 explains the information they require from Mr A. But based on what I’ve seen I don’t see that they need to do anything further here.

My final decision

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 A to accept or reject my decision before 5 February 2025.

Thom Bennett
Ombudsman