

The complaint

Mr N complains that Soldo Financial Services Ltd unfairly closed his account and didn't return his funds.

What happened

Mr N had a business account with Soldo. In 2019, Soldo blocked and later closed Mr N's account after he received a payment of over £5,000. Mr N is unhappy that Soldo hasn't released the remaining funds to him.

Mr N says the payment was for services he'd provided to a customer. He says his customer tried to recall the funds but was unsuccessful. Given the length of time that has passed, Mr N says he no longer holds any records of the services he provided or anything to demonstrate the agreement he had with his customer. He's unhappy that Soldo failed to ask him any questions about the funds.

Mr N says he's been making attempts to contact Soldo about this issue for several years. But he says that the firm has been terminating calls and ignoring his messages. Soldo says it has acted fairly and in line with its regulatory obligations.

After Mr N asked this service to review his complaint, one of our investigators issued their view explaining that Soldo acted fairly. Mr N doesn't agree - he wants Soldo to release the funds that remained in his account.

As Mr N didn't agree, the complaint has been passed to me for a final review.

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

Financial firms that operate in the UK (including Soldo) are required to carry out specific actions to meet their legal and regulatory obligations. This includes the requirement for firms to complete ongoing monitoring of existing business relationships. And that sometimes results in firms deciding to restrict or - in some instances - close customer accounts.

Soldo has provided me with information to show why it reviewed Mr N's account. Having considered this, I'm satisfied the firm acted in line with its regulatory obligations.

Soldo is entitled to close an account. However, in doing so, it must ensure it complies with the terms and conditions of the account. The terms of the account say that Soldo can close Mr N's account by giving him at least two months' notice. In certain circumstances, the firm can also close an account immediately.

Soldo closed Mr N's account immediately. Based on the information I've seen, I'm satisfied that Soldo acted fairly and in line with its terms and conditions when doing so. I understand

Mr N's concern, given he would like to know why Soldo closed his account. But the firm is under no obligation to explain why it made this decision.

It's important that I point out that our rules allow us to receive evidence in confidence. We may treat evidence from firms as confidential for several reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Soldo has provided is information I consider should be kept confidential.

Although I think Soldo acted fairly - having considered the information Soldo has provided - I think it could've done more before making its decision to retain the funds in Mr N's account. I think Soldo could've made further enquiries with Mr N about how he used his account and asked that he provides information to prove his entitlement to the funds in his account.

Our investigator asked Mr N for information along these lines. Mr N says he no longer holds any relevant records. To some extent, I understand this due to the time that has passed since the payment.

However, given Mr N has been pursuing the return of these funds since Soldo first restricted his account, as a business operator I would've reasonably expected him to hold on to relevant records. So I'm not persuaded that Mr N has been able to evidence his entitlement to the funds.

Given this, I don't think that Soldo's failure to make enquiries makes a difference here. Had Soldo asked Mr N questions in line with what I've said above, I think it's more than likely that it would've reached the same decision – which is to retain the funds. So I won't be asking Soldo to do anything because of this.

I understand Mr N's concerns about the service he's received from Soldo since his account was closed. I can appreciate it would've been frustrating for Mr N as he couldn't get clarity from Soldo and, as he says, conversations were often terminated. Mr N says this affected his mental health.

Soldo says it has been unable to provide any further details to Mr N. Given everything both parties have told us, I don't see fair cause to ask Soldo to do anything more to put things right.

To conclude, I'm satisfied Soldo acted fairly when it restricted and closed Mr N's account. I'm also not persuaded that Mr N has proved his entitlement to the funds that remained, so I don't find that there's fair cause to ask Soldo to return the funds to him.

My final decision

For the reasons explained, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 21 February 2025.

Abdul Ali
Ombudsman