

The complaint

P, a limited company, complains that PayrNet Limited unreasonably delayed a payment to their director's personal account.

P held an ANNA branded account – who provide services on behalf of PayrNet. For ease of reading in this decision I'll refer to ANNA.

What happened

The background to this complaint is well known to both parties, so I'll only cover it briefly here. In July 2024 P attempted to make a payment from their ANNA account to their director's account. But ANNA decided to carry out additional checks on the payment – and asked for further information on P's business. P responded, and the payment was completed several days later.

P complained to ANNA, saying that the payment was entirely legitimate, and they hadn't been given a satisfactory explanation or notice. ANNA responded to say they had been completing mandatory due diligence checks, in line with anti-money laundering guidelines. They said this means on occasion they need to additional details about P's business.

Dissatisfied with this P referred their complaint to our service, saying that delay in the payment had led to their director missing payments and incurring fees. One of our investigators looked into what happened, but didn't think ANNA had done anything wrong.

P disagreed, and as such 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.

Having done so, I've reached the same overall conclusions as the investigator.

ANNA, like all regulated financial businesses in the UK, have strict legal and regulatory obligations to meet when providing accounts to their customers. These obligations can broadly be described as a duty to monitor accounts and payments for indications of financial harm – and ANNA have specifically pointed to their anti-money laundering obligations on their response to P.

These obligations mean that on occasion ANNA may need to take a closer look at a particular transaction, or the account activity. This can take the form of asking their customers to explain where funds have been received from, or in this case what their business activity is related to. And it may be necessary to restrict the use of an account – such as preventing any further transactions while they carry out a review. There is provision of this in the terms of P's ANNA account.

There's no specific obligation on ANNA to provide notice or an explanation for a review – and often this would be counterproductive or inadvisable. ANNA have only told P it related to their anti-money laundering obligations, but not provided a further explanation to P. They have provided further reasoning to our service.

The rules of our service allow us to treat certain information as confidential – for example if it contains information about third parties, or security information. In this case I'm satisfied that it's appropriate that ANNA's reasoning remain confidential. So, I'm sorry to P that I won't be describing this in detail within this decision. But I'm satisfied that it was reasonable for ANNA to delay transactions out of the account while they carried out their review. While I've no doubt this was frustrating for P, I don't see that ANNA have done anything wrong by this.

Any review should be completed within a reasonable timescale. Here I can see that P's account review began on 15 July 2024, and they requested further information. This was received the next day, and the £3,000 payment was released on 17 July. I don't see that this was an unreasonable timescale. It's unfortunate that this caused difficulties for the director personally – but I don't see that ANNA have been unreasonable or caused unnecessary delays.

Overall, I'm not minded there have been any errors or omissions by ANNA in relation to the account review. As such, I don't see they need to do anything further.

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 P to accept or reject my decision before 8 May 2025.

Thom Bennett
Ombudsman