

The complaint

Mr D complains Citibank UK Limited ("Citibank") restricted his account and refuses to return the funds held to him despite previously informing him it was closing his accounts as part of its broader plan to close retail bank accounts in the UK.

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.

Unhappy with Citibank's actions, Mr D complained. Citibank didn't uphold his complaint. In summary, it said it didn't complete Mr D's transfer of funds requests as it was acting in line with its legal and regulatory processes whilst it continues an internal review. Mr D referred his complaint to this service.

Mr D says Citibank imposed a deadline on him when notifying him it was closing retail accounts in the UK. He adds the funds were in long term deposits when that deadline came, and there was no way he could access his funds online. So, after the deposit matured, it was too late to do an online transfer as the deadline for doing so had passed. Mr D says he was told in the communications from Citibank, that a bankers' draft would otherwise be sent to him if the deadline had passed.

Mr D says that he was told his payment was under review and that he's been a longstanding customer of Citibank with no previous issues, or any source of funds exercise being carried out on him. Mr D says the funds are his long-term savings and are needed for a property purchase abroad and other important financial commitments.

One of our Investigator's looked into Mr D's complaint. They recommended it wasn't upheld. In summary, their key findings were:

- Citibank is carrying out a review in line with its regulatory and legal obligations. And its not in a position to release the funds to Mr D. The information this finding is based on has been provided in confidence.
- There's no set timescale for when the funds will be released, and Citibank hasn't caused any avoidable delays.

Mr D didn't agree with what our Investigator said. He reiterated that the complaint hasn't been understood and explained Citibank were closing his accounts due to its commercial strategy. Our Investigator explained they understand Citibank hasn't told Mr D why its unable to transfer his funds out. But Citibank isn't able to tell him why it's holding the funds. And it isn't doing anything wrong in doing so.

Mr D disagreed and set out in detail why he thinks Citibank's actions are improper. He has listed several reasons and key arguments. In the interest of pragmatism, I won't set them out in detail here. I've also seen he has sent in several documents to show, amongst other

things, the source of funds and his entitlement to them. And his good standing as a UK citizen. Mr D has also said that the action taken by Citibank without any explanation or due diligence by it, at any point, in his relationship with it is unfair, unreasonable, and without legal basis.

As there is 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 D and Citibank 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 Citibank, 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 Citibank needs to restrict customers' accounts, including their payment instructions.

Citibank has provided me with an explanation and supporting information as to why it decided to not release the funds to Mr D despite previously informing him it was closing his accounts due to its commercial strategy. And if he missed the deadline to transfer funds himself, he would be sent a bankers' draft. Having carefully considered this, I'm satisfied Citibank has acted in line with its obligations by not releasing the funds to Mr D and acting upon his payment instruction.

Broadly speaking there are no set time limits for a regulated business to release funds when it's carrying out such a review. From the information I've weighed, I'm satisfied Citibank hasn't acted improperly by continuing to withhold the funds from Mr D. I don't undervalue the distress and inconvenience this is causing Mr D, but as I've said, Citibank is acting in line with the obligations it must follow.

I know Mr D wants a detailed explanation and has referenced some legislation he feels is relevant to his circumstances. But Citibank is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Citibank has provided is information I consider should be kept confidential.

As I don't think Citibank has done anything wrong, I see no basis in which to award any compensation to Mr D for the distress and inconvenience he has suffered.

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 D to accept or reject my decision before 21 April 2025.

Ketan Nagla
Ombudsman