

## **The complaint**

W a club complains that Zempler Bank Limited (trading as Cashplus) asked it to provide information and blocked its account.

W's complaint has been brought to our service by its secretary, Mr W.

## **What happened**

The detailed background to this complaint is well known to both parties. As such, I'll provide only an overview of the most essential facts here.

W had an account with Cashplus.

On 6 September 2023, Cashplus wrote to Mr W to let him know it was reviewing W's account. Cashplus said it wanted information about W and sent Mr W an Enhanced Due Diligence (EDD) questionnaire to complete and return.

Mr W responded, so on 18 October 2023, Cashplus sent Mr W a chaser email to complete the questionnaire by 6 November 2023. And if they didn't receive a completed questionnaire W's account would be blocked.

On 18 October 2023, Mr W says he sent Cashplus the completed questionnaire via email. On 6 December 2023, Cashplus wrote to Mr W to let him know that he'd sent them a blank questionnaire. And asked him to send them a completed one. Mr W didn't reply. So, on 9 January 2024, Cashplus decided to close W's account and sent Mr W a 60-day closure notice. During the notice period Cashplus blocked W's account.

Cashplus sent Mr W an email the same day and asked Mr W to provide bank account details so that it could release W's account balance. However, the email incorrectly said that W's account was only partially blocked.

Mr W provided bank account details to Cashplus on 11 January 2024, and Cashplus returned W's balance on 30 January 2024.

Mr W complained to Cashplus. He said Cashplus had treated W unfairly when it blocked its account and that this caused W financial problems. Mr W said Cashplus had told him that W's account was only partially blocked when in fact it was fully restricted.

In response, Cashplus said it had been complying with its legal and regulatory obligations when it asked Mr W to complete the EDD questionnaire. And that it had received a blank questionnaire from Mr W, so it was unable to complete EDD. Cashplus apologised for giving Mr W incorrect information about the type of block it had applied to W's account. And said it had closed W's account in line with the terms and conditions.

Mr W remained unhappy and brought his complaint to our service. He said he wants compensation for the inconvenience caused by Cashplus blocking W's account and maintained he had sent back a completed questionnaire.

One of our investigators looked into what had happened. She said Cashplus shouldn't have closed W's account immediately and should have allowed W more notice. To put things right she said Cashplus should pay W £100 compensation and pay 8% simple interest per annum on W's account balance between 11 January and 30 January 2024.

Cashplus disagreed with the investigators view. It said because Mr W hadn't completed the questionnaire it hadn't been able to meet its legal and regulatory obligations. So, it had blocked the account to mitigate risks. Mr W accepted the outcome.

As no agreement could be reached the matter came to me to decide.

Prior to issuing my decision I asked the investigator to obtain further information from Mr W and Cashplus. In response, Mr W provided a copy of the completed EDD questionnaire which he said he sent to Cashplus in October 2023, along with an automatic email response from Cashplus he received after sending it.

Cashplus provided the email which Mr W sent attaching a blank questionnaire and set out their reasons behind the review of W's account. Cashplus maintained that it had received a blank questionnaire from Mr W.

After reviewing everything I issued a provisional decision which set out why I wasn't upholding W's complaint. I said the following:

*I've decided to not uphold this complaint. I'll explain why:*

- Cashplus has extensive legal and regulatory responsibilities they must meet when providing account services to its customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.*
- As has been explained by Cashplus and the investigator, the reason why Cashplus asked Mr W to provide information about his finances is because Cashplus are obliged to adhere to the regulator – the Financial Conduct Authority (FCA), Know Your Customer (KYC) responsibilities. Cashplus is entitled and obliged to conduct such checks in order to comply with its legal and regulatory obligations. This applies to both new and existing customers regardless of how many years a customer may have held an account with Cashplus.*
- The information Cashplus was asking Mr W to provide is fairly standard information that banks, and other financial businesses are required to have in order to adhere to KYC responsibilities. It's not in my remit to determine what questions Cashplus should ask its customers to ensure it adheres to its these responsibilities. There's no fixed set of questions or period between each customer update request, and they are usually done to reflect the changes in the economy, technology or tactics employed by criminals to commit financial crime. So, I can't reasonably say that Cashplus was acting unfairly or unreasonably in asking Mr W for the information that it did.*
- Cashplus has provided evidence to show that it had written to Mr W in September 2023 to ask him to complete their EDD questionnaire and send it back to them. I can also see that Cashplus told Mr W why it wanted the information. And when it became clear that Mr W hadn't sent back the questionnaire Cashplus wrote to Mr W again in October 2023 and explained the consequences, which was that W's account could be suspended and closed.*

- *Mr W has said he sent back a completed questionnaire. Cashplus said the form Mr W sent back to them was blank. Mr W has provided a copy of the form he says he sent to Cashplus in October 2023. I've looked at the form Mr W sent to the investigator on 22 May 2024. I have also looked at the blank form that Cashplus received from Mr W in October 2023.*
- *I can see that the blank form Mr W sent back to Cashplus on 18 October 2023, was last modified or changed on 6 September 2023 (the date Cashplus sent the form to Mr W). The form Mr W has sent to us was last modified on 1 May 2024, which suggests Mr W filled the form in around this time – in other words Mr W didn't complete the form in October 2023 as he is suggesting but did so at a much later date. The document Mr W sent us is more consistent with having been specially amended at the point of sending it to us, rather than being the original attachment to the email Mr W sent Cashplus. This leads me to doubt the credibility of Mr W's version of events.*
- *I've also kept in mind that Cashplus sent Mr W an email on 6 December 2023 which told him that the questionnaire he had sent to them in October 2023, was blank. I can't think of any plausible explanation for why Cashplus would have done this if it had received a completed questionnaire.*
- *So, I can't reasonably say that Cashplus has treated Mr W unfairly when it told Mr W it was going to suspend and close W's account. Afterall, Mr W had been provided with a reasonable amount of time in which to provide the information. Therefore, whilst I appreciate Mr W says Cashplus threatening to suspend and close W's account was stressful, I can't reasonably say that Cashplus should pay him compensation for the inconvenience that he experienced.*
- *Due to Mr W being unwilling to provide the necessary information, in September 2023, Cashplus froze W's account and told him that if he didn't provide the information his account would be closed in 60 days. However, during the notice period Cashplus froze W's account – essentially closing it immediately. Mr W has said that this was unfair and caused W financial problems due to not being able to access the account.*
- *I appreciate that this would have been inconvenient. But I can't say that Cashplus was being unreasonable by freezing W's account. I say this because firstly, Cashplus had reasonable grounds in which to ask for the information that it had requested from Mr W – to comply with its legal and regulatory obligations. To unfreeze the account, Cashplus made it clear that Mr W needed to provide the requested information. As Cashplus could not meet its EDD requirements, I can't say that it was being unreasonable that it froze W's account. Because of this, although Mr W no doubt experienced inconvenience, I can't say that Cashplus did anything wrong. And so, I don't think it would be appropriate to award compensation for this aspect of this complaint.*
- *I can see that Cashplus has apologised to Mr W for providing incorrect information about the type of block it had applied to W's account. Given the circumstances and having looked at all the evidence, I think this is reasonable. So, I won't be asking Cashplus to do anything more.*
- *Mr W has also said that Cashplus took too long to release W's closing balance to him. However, I can't see that there were any undue delays, and I can see that Cashplus returned the balance within its 30-day timeframe. So, I can't say Cashplus did anything wrong in taking the time it did to release W's account balance.*

- *In summary, as I've said above Cashplus are obliged under regulation to carry out ongoing EDD checks to protect accounts from identify theft, fraud, and financial crime. So, if they don't receive the necessary information that they request to allay those risks, I do not consider suspending and sending Mr W a notice that it would close W's account is a disproportionate measure for Cashplus to take.*

Mr W disagreed with my provisional decision. In summary he said:

- He didn't complete the form after Cashplus closed W's account.
- Following CashPlus informing him that they received a blank form, he resent a completed one to them.
- There is a logical explanation as to why the date was different – the Word application on the PC is set to Autosave and would probably have modified the save date as he'd opened it and checked it to make sure it was not blank.

Cashplus agreed with my provisional decision. In response they said:

- They had checked their systems again and confirmed Mr W had sent in a blank questionnaire.
- They had let Mr W know that it was blank and chased him to submit a completed form. But Mr W hadn't responded so it closed W's account.

Now both sides have had an opportunity to comment I can go ahead and issue my final decision.

### **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've reconsidered Mr W's complaint in light of the responses from both parties. Having done so, my overall conclusion on W's complaint remains the same. I'll explain why.

Mr W has maintained that he sent Cashplus a completed form, He has explained that the date the form was changed was updated to May 2024 because of an autosave in the word application on his PC.

I've thought about this technical point. I accept that if Mr W opened a file and then modified it [even by pressing spacebar or something] then autosave possibly updates the modified date. Bu I've also thought about the other technical evidence and kept in mind that Mr W hasn't sent this service a copy of the email he says he sent to Cashplus with the competed form attached. I don't think this would be too hard to find (if it exists) and would usually be found in the 'sent' box of an email account. I find it surprising that Mr W hasn't provided this despite being asked by the investigator to do so.

I've also asked Cashplus to check their systems and they have confirmed that the only form Mr W submitted to them was the blank form in October 2023. I've also kept in mind that Cashplus old Mr Wi it had received a blank form and chased him to submit the information. There's no plausible explanation why Cash plus would to this if Mr W had sent them a completed form as he has suggested. So, I'm not convinced by Mr W's explanation about the date on the form.

So, I can't reasonably say that Cashplus has treated Mr W unfairly when it told Mr W it was going to suspend and close W's account. Afterall, Mr W had been provided with a reasonable amount of time in which to provide the information. Therefore, whilst I appreciate Mr W says Cashplus threatening to suspend and close W's account was stressful, I can't reasonably say that Cashplus should pay him compensation for the inconvenience that he experienced.

In summary having considered Mr W and Cashplus's further comments, I remain of the view that this complaint should not be upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

### **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 W to accept or reject my decision before 21 April 2025.

Sharon Kerrison  
**Ombudsman**