

## The complaint

Mr W complains Zempler Bank Limited trading as Advanced Payment Solutions Limited (APS) blocked his account and asked for proof of address to reinstate it. He also complains about the service he received when a replacement debit card was ordered and about payments leaving his account when his account was blocked.

## What happened

The issues Mr W has complained about are known by both parties, in summary these issues are:

1. APS blocked his account in October 2023, including his banking app, meaning he couldn't transfer money or close his account.
2. APS allowed a series of payments to leave his account when it was blocked. Mr W claims these payments were not authorised so shouldn't have been allowed.
3. APS requested identification from Mr W which he was unable to provide as he lived in temporary accommodation and didn't have a driving license. He also complains about the lack of clarity around what other documents APS would accept and how he could provide such information.
4. APS caused him significant distress by sending a replacement debit card to an address he was due to leave, with the card only arriving the day before he was due to leave.
5. Mr W believes he has been discriminated against by APS, explaining he is vulnerable and APS failed in its duty to consider equality legislation when communicating with him.
6. He also complains about the service he has received and the '*general conduct and attitude*' of APS advisers.

Mr W explained he contacted APS as he needed a new debit card. He said his account was blocked at the time so he didn't have access to his account and couldn't buy essentials. Mr W said he wanted to close his account and open an account with a third party, but couldn't because the account was blocked.

Mr W explained APS wanted documentation from him he couldn't provide, such as utility bills and driving licenses. He explained he was living in temporary accommodation and was only able to get limited documents from his social worker. Mr W explained he struggled to get instructions from APS about how he could submit such documents to it.

Mr W said APS unblocked his account but didn't issue a debit card. Mr W explained he needed the card sent quickly to his current address as he was due to move out and didn't know what his new address would be. Mr W explained, at the time, it was likely he would sadly be homeless.

Mr W said, after he eventually gained access to his account, he noticed payments had continued to go out whilst his account had been blocked, including Direct Debits which he hadn't set up. He also complained payments had continued via his debit card, when it wasn't active and that the codes used for these transactions were inaccurate on his bank statement.

Mr W also complained APS had failed to recognise his vulnerabilities and comply with equality legislation in its dealing with him, and that he had generally received poor service.

APS issued a final response letter in December 2023. APS explained Mr W's debit card was due for renewal but the renewal process was halted because of a recent change of address. APS said Mr W's account had previously been blocked and as a change of address had occurred shortly afterwards, it triggered another '*control in our system*' which blocked his account.

APS explained the replacement card retained the original card details, so the payments requested by merchants as recurring payments during this period were authorised because the card details would have continued to have matched. APS explained the payments were to merchants Mr W had an historical relationship with and had made payments to regularly.

APS said two payments had a prefix of 'DD' but were not Direct Debits. It admitted this was '*confusing*' but said Mr W had made payments to these merchants since 2022 and that the merchants in question do sometimes show as DDs when they are not.

APS didn't accept it had breached the Equality Act but offered to update Mr W's details to reflect his needs. It also said it thought its mobile app was fully compliant with equality legislation, but had passed his feedback on to the digital marketing team.

APS did uphold some of Mr W's complaint, it accepted its service could have been better, but didn't accept it had made any errors. It offered £100 goodwill as full and final settlement of Mr W's complaint.

Our investigator thought APS needed to take some additional action. They thought APS had taken too long to issue Mr W with a replacement debit card after it had unblocked his account, causing him unnecessary distress because of his imminent departure from his current address. They didn't uphold Mr W's complaint regarding account activity continuing whilst his account was blocked, but agreed some of the customer service Mr W experiences could have been better.

Our investigator thought a fair and reasonable award for compensation was £250 for the distress and inconvenience it had caused Mr W.

APS disagreed with the compensation recommended by our investigator and rejected the recommendation. Mr W and APS rejected our investigator's recommendation, so his complaint has been passed to me to make a 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 appreciate how strongly Mr W feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

Having listened to a call to our service, where Mr W outlined his complaint in detail, I can see many of the issues he has raised are regarding the business policies and procedures of APS. Our service isn't a regulator, we look at whether customers have been treated fairly and reasonably considering the wider circumstances, our service doesn't have the power to ask businesses to change practises and decisions, which they are often entitled to make.

I appreciate much of Mr W's complaint relate to alleged breaches of data protection and equality legislation. I've taken the Equality Act 2010 and data protection legislation into account when making my final decision on this complaint, as it is relevant law, but my role is to decide what is reasonable and fair. Only a court can decide whether the Equality Act 2010 has been breached, and the Information Commissioner's Office (ICO) is the UK's independent regulator for data protection and information law.

I also note Mr W raised a separate complaint about APS regarding an earlier issue with his address in August 2023. Our service has already issued a decision regarding this so I will not reconsider these issues here. Suffice to say, the evidence suggests this block in August was lifted, but another block was added in November 2023.

APS issued a final response to Mr W's complaint in December 2023. Our investigator decided further information was needed, so in March 2024 they sent a recording of a telephone call our service had had with Mr W to APS, which outlined his outstanding complaint issues for comment. They chased APS for a response through March, April, May, and June without reply. APS responded in October, after our service had notified APS we had started the investigation without the benefit of their response. This response included a further copy of its final response from December 2023, explaining that was the final response it had issued.

Our service continued to ask for further details from APS throughout the end of 2024, highlighting the issues Mr W had raised. We asked for several documents from APS in writing in December 2024, including statements and timelines. APS again responding confirming it had listened to the telephone call recoding but considered it had dealt with the points in its response dated December 2023. Our investigator responded explaining we needed the evidence requested, to which APS responded stating there was no business file to provide.

In early January 2025 our service again sent the telephone call recording through to APS for a response. In mid-January, APS confirmed it had listened to the call again and thought the response from December 2023 sufficed for the issues raised, but agreed to send a business file through. These documents were received shortly afterwards, which included statements and contact notes.

APS has explained the second block occurred because of the address changing close to when a replacement card was due. APS said the renewal process for the card had started but was paused due to the address change. I can understand why APS would want to undertake some additional checks here, and don't find this unreasonable. Businesses are under a duty to detect and prevent fraud and protect customers. I therefore think it was fair of APS to make some additional enquiries at this time to ensure the card was going to Mr W and not a third party.

I can see from the notes on APS's system Mr W contacted APS on 25 October 2023. During this contact Mr W explained he couldn't provide proof of address in the formats APS required, explaining he is disabled and therefore didn't have a driving license. I can see APS considered his comments and said it would accept a letter from social services due to his vulnerabilities. The notes show Mr W's account was reinstated on 30 October with a note stating '*new card can be issued...*'. However, there isn't any evidence I have seen to suggest the new card was order and sent out.

I think APS's response to Mr W's explanation he couldn't provide the identification required this was fair in the circumstances. The notes show Mr W explained why he couldn't provide the information required, so APS agreed to accept other documentation he could provide. This would seem a reasonable solution in the circumstances, and I am therefore not persuaded APS did anything unreasonable here.

The notes show Mr W contacted APS on 9 November explaining he was going to be made homeless on Wednesday. APS told Mr W it hadn't ordered a card for him and it would take

three to five days. The line apparently dropped, but later notes show the card appears to have been ordered on that day. I understand Mr W did receive the card in time, but I have no doubt this was a stressful time for him as he has explained. I also think it could have been avoided had the card been ordered earlier when the account had been reinstated.

For this reason I uphold this part of Mr W's complaint, and agree with our investigator, APS should have issued a card earlier. I think the impact of this was significant, as Mr W has explained, he was facing homelessness and therefore the provision of this card to his current address was very important and was time critical.

Moving on to the payments made whilst Mr W's account was blocked, I can see APS has said the five payments were for regular subscription services. APS has explained it issued a new card with the same card number, which is its usual process in these circumstances. This would apparently explain why these payments continued as the merchants would have requested the payments with the details they had on file, which would have matched both the new and old card on APS's system. This isn't an unusual industry practise where a card has expired.

I have examined Mr W's statements and am satisfied the evidence suggests Mr W did indeed have an historical relationship with the merchants in question.

For both of these reasons, I am persuaded it is unlikely these payments were fraudulent and don't think it was unreasonable for these payments to continue in the circumstances. I therefore don't uphold this part of Mr W's complaint.

Moving on to the last two issues, I have not seen any evidence which persuades me Mr W was discriminated against. I have seen some evidence Mr W received poor service, as I have explained above.

However, APS hasn't provided any of the call recordings, despite the efforts described above, it therefore isn't possible for me to examine this complaint in detail. In situations such as this I must consider what is fair to both parties and make decisions on the balance of probabilities, that is, what I think is more likely than not to have occurred. I am also minded that a lack of evidence due to the failure of a business to supply it, shouldn't favour them or seem to support their position. If anything, I am more likely to think such a lack of evidence would tend to support the account of the customer.

However, I am also mindful that Mr W hasn't been specific regarding his complaints here. I have dealt with some of the overarching issues, but not the individual customer service failures he has said happened. His issues have been quite general, for instance, he hasn't given specific times or names of individuals in the calls to our service I have listened to.

For these reasons I feel it would be fair to both parties to only partially uphold this part of Mr W's complaint, mostly because APS hasn't offered any counter evidence on this point despite many requests. But I only intend to uphold this point regarding poor service when he has spoken with advisers.

Finally, it is disappointing this case has taken as long as it has. I can see our investigators asked for information and response several times without reply. APS has maintained it's final response from December 2023 covered the issues raised. However, it didn't provide much of the evidence we asked for, such as call recordings, or explain why these were not available. I have therefore had to take this lack of evidence into account when making my final decision.

For these reasons I broadly agree with the recommendation of our investigator. I am satisfied £250 total compensation for the distress and inconvenience is in line with what our service would expect in the circumstances described.

### **My final decision**

For the reasons I have given, my final decision is I require Zempler Bank Limited trading as

Advanced Payment Solutions Limited to pay Mr W £250 compensation for the distress and inconvenience it has caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 October 2025.

Gareth Jones  
**Ombudsman**