

The complaint

Miss D complains that Zempler Bank Limited unfairly restricted and later closed her account.

What happened

Around December, Miss D's account was restricted pending a review by Zempler. The bank later issued notice in January that it would be closing Miss D's account. She's unhappy that Zempler did so without an explanation. Miss D says she's been unable to open an account elsewhere since. She wants her account with Zempler re-opened.

In its response, Zempler says it acted in accordance with its regulatory obligations. The bank said it could've completed its review sooner and so it offered Miss D £25 compensation.

Remaining unhappy, Miss D asked this service to review her complaint. She says Zempler's actions caused her physical and emotional distress, and she had to borrow funds from family as a result. Miss D adds that Zempler showed little sympathy for her and failed to keep her updated. She wants an explanation and her account reopened.

Our investigator issued their outcome, explaining that the bank had acted fairly. Miss D didn't agree, so 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 decided that Zempler acted fairly. I appreciate Miss D will be disappointed to hear this, so I'll explain my reasons.

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

Zempler has provided me with information to show why it reviewed Miss D's account. Having considered this, I'm satisfied the bank acted in line with its regulatory obligations.

Zempler 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 Zempler can close Miss D's account by giving her at least three months' notice. In certain circumstances, the bank can also close an account immediately.

Zempler gave Miss D three months' notice that it was closing her account. Based on the information I've seen, I'm satisfied that Zempler acted fairly and in line with its terms and conditions when doing so.

I understand Miss D's concern, given she would like to know why Zempler closed her account. But the bank 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 banks as confidential for several reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Zempler has provided is information I consider should be kept confidential.

Miss D is concerned that she's been unable to open an account elsewhere, which has prevented her from accessing banking facilities and obtaining funds from an inheritance payment. She thinks this is because of something Zempler has done. However, Zempler has been able to evidence that it hasn't recorded any adverse information under Miss D's name. So I'm satisfied that the challenges Miss D is having isn't because of something Zempler has done.

Miss D points to service failings on the bank's part – she says Zempler failed to keep her updated and show an understanding of her situation. Zempler already paid Miss D £25 compensation because of a delay in its review. I appreciate Miss D's concerns, but I don't think further compensation for any service issues would be fair or appropriate in the circumstances. I understand Miss D would want to know the information I've weighed to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

In summary, I'm satisfied that Zempler acted fairly when it restricted and closed Miss D's account.

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 Miss D to accept or reject my decision before 15 August 2025.

Abdul Ali
Ombudsman