

The complaint

Mr H complains about an account he had with ZILCH TECHNOLOGY LIMITED ('Z').

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

In summary, Mr H says in October 2024 he went to close his account with Z but it forced him to sign a credit agreement before it let him do this. He says his name was pre-filled on the signature box and his attempts to remove it by deleting it and entering 'NO' failed. He says this raises serious concerns about the integrity and the validity of the agreement. He complained to Z about this.

Z did not uphold the complaint. In summary, it said that because the account was inactive since 2021 it was taking steps to verify his account.

Our investigator did not uphold this complaint and Mr H referred it to an ombudsman for a final decision. In summary he says Z did not allow him to close his account without forcing a legal agreement and he wants £500 compensation because:

- The regulated agreement was improperly executed;
- Z has failed to produce the original 2021 agreement; and
- Z has systemic failings in its process design and has used automated systems to override his non-consent.

He also says Z has acted in a way that undermines trust in regulated consumer finance.

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 am aware Mr H has referred to regulatory framework and case law in some detail. He clearly feels strongly about this matter. However, I will only comment on what I consider material to a fair and reasonable outcome. This is not meant as a discourtesy – it reflects my role resolving disputes with minimum formality.

In considering what is fair and reasonable, I have had regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

Mr H has raised several concerns about Z's general practices and product design, including the general clarity of its credit agreement. But my role is to make a decision based on the individual circumstances of his complaint about a specific act or omission. Not to comment

on or assess general wording or product design. Mr H can refer his broader regulatory concerns to the relevant enforcement bodies. Furthermore, although Mr H has referred to enforceability of credit agreements, only a court can decide this.

I note that an ombudsman has already decided that this complaint is in jurisdiction. So I will not be commenting on this matter further. And while Mr H is unhappy that Z challenged the jurisdiction of this service in the first place, as it relates to our ability to look at cases (which a business has a right to challenge in any case) it is not something I will be looking at as part of his complaint here. I note Z's challenge did not prevent Mr H referring this matter to this service and having his complaint looked at in any event.

Did Z do anything wrong here?

Z is unable to provide a copy of the originally dated credit agreement as it says its file updated in 2024 when Mr H verified his account. As a result Mr H appears to now be suggesting he didn't enter into a credit agreement with Z in 2021. However, that conflicts with his original testimony acknowledging he had opened an account with Z and was in fact contacting it in 2024 to close it. Nor is this position consistent with Mr H logging into an existing account rather than contacting Z's fraud team or the police. Overall, I am persuaded from the evidence I have – including Mr H's own actions/testimony and the system information of prior transactions which Z has provided, that when Mr H tried to log into his account in October 2024 – he had likely previously consented to opening a credit account with Z. So I am not persuaded this is a case of an account being opened without his consent.

Mr H indicates that to close an account Z requires its customers to sign a new credit agreement. However, I am not sure that is a fair characterisation of what has gone on here.

It seems that in Mr H's particular case – because he had not used his account since 2021 Z first asked him to verify agreement to Z's current terms of credit he could access the wider dashboard. Which also triggered a new card being sent out to him.

It is arguable that it wasn't unreasonable on the face of it for Z to ask Mr H to do this based on the significant time he had spent away from the account. Nor am I persuaded Z forced Mr H to do this to close his account (Z can be contacted via telephone too which would have been a more reasonable route to take than attempting to override the pre-existing account name).

What if Z did make a mistake?

However, even if I agreed with Mr H that Z made an error in asking him to carry out the actions it did before he could access the rest of the dashboard, I don't see what detriment there has been here beyond minor inconvenience. And minor inconvenience is reasonably expected when engaging with a cancellation procedure. I say this noting that Mr H was able to close his account soon after and on the same day. It was an account he already had, and from the information he has provided I don't see any adverse impact on his credit file as a result.

Overall, I consider Z is acting fairly in not paying compensation here. I remind Mr H that my role here is of minimum formality and he may choose to take this matter by more formal routes (such as court) if he wishes to. This is a matter for him to decide.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 November 2025.

Mark Lancod
Ombudsman