

## **The complaint**

Mr C complains that Bank of London and The Middle East plc trading as BLME treated him unfairly when it asked him to provide information and closed his account. Mr C is also unhappy about how BLME released his closing balance.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reason for my 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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether BLME has treated Mr C fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

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 focused 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. But I want to assure Mr C that I have read all Mr C's submissions.

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

- BLME 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 people from financial harm, and to prevent and detect financial crime. If BLME has concerns about how an account is being used, then it's right that they restrict, or even close the account. The terms of Mr C's account make provision for this.
- I can see that BLME asked Mr C to provide up to date information about the source of the funds for transactions on his account. BLME and the investigator has explained the reasons why BLME asked Mr C to provide information is because

BLME are obliged to adhere to the regulator – the Financial Conduct Authority (FCA), Know Your Customer (KYC) responsibilities.

- BLME 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 BLME. And regardless of the type of account held by a customer.
- I appreciate that Mr C felt the information that BLME requested was intrusive and unnecessary. And he had to go to a lot of trouble to provide information. But the information BLME was asking Mr C 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 BLME should ask its customers to ensure it adheres to 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.
- BLME are also able to set their own procedures, including how they wish to conduct their KYC review. BLME has explained that when requesting additional information this can prompt further requests and clarification, which can lead to some back-and-forth communication with customers. I don't find this unreasonable. That's because BLME is required to have up to date information about its account holders including details on their identity, address, and source of wealth, in order to comply with its legal and regulatory obligations. So, whilst I can appreciate Mr C's point of view about the necessity of the information BLME requested, and how BLME went about requesting what it wanted him to provide, I can't reasonably say that BLME was acting unfairly or unreasonably to ask Mr C for the information that it did.
- Mr C says BLME have not been clear about the information it wanted. And sent him several requests instead of covering off everything in just one email. Mr C also says BLME didn't explain what laws and legislation required to ask him for the information. Mr C says this was stressful and he had to spend time speaking to BLME to understand why it wanted the information. And on what basis was it able to ask Mr C for it.
- I have reviewed the emails that took place between Mr C and BLME. Mr C says BLME weren't clear with him about what they wanted him to provide. And why. I don't agree. Having looked at the exchanges I'm satisfied that BLME explained what it wanted Mr C to provide – it wanted to know where the funds in Mr C's account had come from, his source of wealth and his employment. BLME also explained why it needed him to provide the information. And why it wasn't happy with the information that Mr C provided. Having looked at the information Mr C provided I'm satisfied BLME's concerns were reasonable.
- Due to Mr C not providing the necessary information, BLME decided to close his account immediately. I can't say that BLME was being unreasonable by freezing Mr C's account. I say this because firstly, BLME had reasonable grounds in which to ask for the information that it had requested from Mr C – to comply with its legal and regulatory obligations. BLME made it clear that Mr C needed to provide the requested information. As BLME could not meet its KYC requirements, I can't say that it was unreasonable that it decided to close Mr C's account immediately. Because of this, although Mr C no doubt experienced inconvenience, I can't say that BLME did anything wrong.

- So, I'm not requiring BLME to compensate Mr C for any inconvenience and distress that Mr C, may have experienced as a result of BLME carrying out its review, and the further dissatisfaction he experienced which ultimately flowed from BLME closing his account, including his unhappiness with BLME's communication and the information it didn't provide to him.
- As I've said above BLME are obliged under regulation to conduct ongoing KYC 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 closing Mr C's account to be a disproportionate measure for BLME to take. I am also satisfied that BLME closed Mr C's account in line with the terms and conditions of the account.
- Mr C is also unhappy that when BLME released his closing balance it did so in one payment, instead of three separate payments. It's important to explain that it's not the role of this service to supervise, regulate or impose fines on any business. It's also not our role to ask a business to alter its procedures or enforce changes to policies. That's the role of the regulator, The Financial Conduct Authority. So, whilst I understand Mr C would have liked three separate payments, I can't say BLME did anything wrong when it followed its process and released his funds in one payment.

In summary, I'm sorry to disappoint Mr C. But BLME is allowed to make commercial decisions about how it meets its relevant obligations, so I can't reasonably question how it undertakes its reviews or challenge the information it says it needs to meet its legal and regulatory obligations. Our service would only make a recommendation on these areas if we felt the business had treated a customer unfairly. Based on all the evidence and circumstances of this complaint, I'm not persuaded that's the case here. So, I won't be asking BLME to do anything more to resolve Mr C's complaint.

### **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 C to accept or reject my decision before 6 November 2025.

Sharon Kerrison  
**Ombudsman**