

The complaint

Mr A is unhappy Zilch Technology Limited (Zilch) won't allow him to change the email address on his account without closing it and opening a new one. He also complains that Zilch used the wrong payment option on a purchase he made on his account. Lastly Mr A says Zilch declined a transaction and then provided inconsistent reasons for doing so.

What happened

Here Mr A has made three complaints to Zilch.

The first was in relation to Zilch refusing to allow a change to the email address linked to Mr A's account. Mr A didn't think this was fair when he had an excellent repayment history. Zilch responded on 2 January 2025 and said its advisor had informed Mr A to change the email address he would have to delete his Zilch account, wait three months and then apply for a new one. Zilch added this was to protect customers and is an internal security process. So, it wasn't at liberty to disclose specific details.

Mr A's second complaint was that when making a purchase he requested to use Zilch's Pay over 3 months option. However, that didn't happen, and it resulted in the transaction being processed via the Pay over 6 weeks option instead. Which wasn't what Mr A had authorised. Zilch responded on 4 January 2025 and said Mr A had enabled his card for online transactions, but this purchase was in store. That's why the payment switched to Pay over 6 weeks, as that's Mr A's default option.

The third complaint related to a transaction that was declined in February 2025, despite Mr A having sufficient available credit. Zilch issued its final response to this complaint on 1 April 2025. In this it said the reason for the decline was because the payment had been processed abroad. Zilch acknowledged that Mr A had previously been able to make payments to the same merchant, but that would no longer be the case. This was a security process Zilch said it had put into place.

As Mr A remained unhappy with the responses Zilch had given on his complaints, he referred the matters to the Financial Ombudsman Service. An investigator here considered the complaints as one. They said under consumer duty Zilch wasn't supporting Mr A's financial objectives in forcing him to close his account and open a new one to change the email address. As this would impact his credit file with a new search. So, they added Zilch should allow Mr A to follow what's been requested of him without any negative impact. This would be by removing the credit search and ensuring his available balance is the same.

Regarding the payment defaulting to Pay over 6 weeks the investigator said the terms and conditions of the account explained how the option worked. They said Mr A hadn't provided evidence to show he enabled Pay over 3 months for in store purchases with the merchant in question. Given this they didn't feel Zilch had acted unfairly in processing the payment by the default Pay over 6 weeks option instead.

The investigator concluded that Zilch was entitled to decline payments to countries abroad should it wish, but that should've been explained clearer and sooner to Mr A. Not providing

clarity sooner caused Mr A distress and inconvenience, and the investigator recommended Zilch pay Mr A £100 in compensation for this. Zilch didn't agree and said it was willing to offer £30 only and that Mr A hadn't contacted it regarding the issue prior to raising his complaint. Had he done so the reason would've been provided then. Mr A then provided a screenshot showing he had been told different reasons initially for why the payment had been declined.

As Zilch didn't agree, the complaint was therefore passed to me to decide.

I shared the screenshot Mr A has sent regarding the different reasons he had been given for the declined transaction. I also added that I can see why having to close his account and reopen a new one to change the email address would cause inconvenience. So given this I asked if Zilch would agree to the £100 that the investigator had recommended. Zilch responded and offered £75 instead. It said this was reasonable when it wouldn't have changed the outcome of Mr A being able to make the payment. Mr A didn't agree with the £75. So, I've gone to make 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 also like to point out I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Change of email address

Mr A has explained that he needs to change the email address due to the volume of spam he receives on that particular email account.

Zilch has explained that it doesn't allow amendments to an email address once an account has been opened. This is due to security reasons. Zilch hasn't expanded on what these security reasons are, as it says that's an internal process. I can however understand Mr A's concerns with this. There is for example no guarantee he will be accepted or provided the same credit limit. It also appears he would have to wait three months before applying again and his credit file will likely be negatively impacted by another search. This feels unfair when all Mr A is asking for is to change the email address linked to his account.

I appreciate Zilch has said it isn't able to amend an email after an account is opened. So, I agree with the investigator that Mr A should be able to open the new account without any detriment to him. And provided the same terms as he currently benefits from. I do also acknowledge he will be caused a degree of inconvenience in having to go through the account application process again, to effectively just update the email address.

Wrong payment option used

Here Mr A says he selected to Pay over 3 months. Zilch says that option wasn't enabled for in store purchases with the merchant Mr A was transacting with. So, it correctly switched payment to the Pay over 6 weeks option.

It is difficult here to say for sure what happened at checkout. In cases like this I have to reach an outcome on a balance of probabilities. I have no reason to doubt that Mr A selected the Pay over 3 months option. He has been consistent that this was his intention. I think

what's most likely happened here is there's been some confusion when making the purchase which meant the payment option wasn't fully enabled for an in-store purchase, only an online one. So given this, Zilch says it then switched the terms to Mr A's default Pay over 6 weeks option instead. I understand Mr A may disagree with my conclusion here, but based on the evidence available, I'm not persuaded that Zilch processed the payment incorrectly.

Declined transaction

I understand from the final response Zilch has confirmed the payment was declined as it was being processed abroad and Zilch no longer allows that. Taking the decision to no longer accept payments processed in a particular country is a legitimate commercial decision Zilch is entitled to make.

However, I do believe that should've been explained to him sooner than it was. Regardless of whether it wouldn't have changed the outcome of the transaction. Zilch has said had Mr A raised the issue prior to logging a complaint an advisor could've explained things immediately. It's clear Mr A did try to find out at the time why a payment to someone he had made previously was now being declined. From the screenshots and chats provided it does appear Mr A does raise the issue quickly with Zilch. An advisor tries to give an answer to stop a complaint from being processed. So, I'm satisfied Zilch did have an opportunity to try and give the correct reasoning for the decline, in February 2025 when the transaction occurred.

Instead, Mr A is given conflicting information by an advisor. The advisor initially says it was because of the available balance. Mr A replies explaining why that doesn't seem to be correct and says in a separate online chat that the same advisor said it was because the company Mr A was transacting with processed the payment with a provider Zilch doesn't support. I'm satisfied here that on at least one occasion Mr A was given conflicting information. I can understand why Mr A found this confusing and he was clearly becoming frustrated. It wasn't then until the final response in April 2025 that Mr A was told the right information.

Taking all the above into consideration, I do believe Mr A should be awarded £100 for the distress and inconvenience he has been caused. I'm satisfied this is fair and reasonable in the circumstances of this complaint.

Mr A will now encounter a degree of inconvenience in having to reapply for a new Zilch account to only change his email address. He has also suffered distress in being provided incorrect and conflicting information as to why a payment he had successfully made before was now being declined.

Putting things right

- Zilch should allow Mr A to open the new account without any detriment to him. This includes any negative impact on his credit file. And provide the same terms as he currently benefits from.
- Pay £100 compensation for the distress and inconvenience caused.

My final decision

I'm upholding Mr A's complaint. Zilch Technology Limited should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or

reject my decision before 4 December 2025.

Paul Blower
Ombudsman