

## The complaint

H, a company, complains that Connectum Limited won't release funds held in their account. They'd like the money released to them, and interest added.

## What happened

The facts of this case aren't in dispute – so I will only cover them briefly there. H held funds in an account with Connectum. But in May 2024 Connectum entered into a voluntary undertaking with the Financial Conduct Authority (FCA), which places restrictions on their business activities. This meant that they could not carry out any payment transactions but agreed to return any funds as soon as it was practicable.

Connectum asked for additional information about H, and the directors involved in the company. H submitted records and documents but questioned why some of it was necessary. H complained that they could not access their funds and had no timeline on when it was likely to be available. Connectum responded to say that there was still information required before they were able to release the funds.

Dissatisfied with this H referred their complaint to our service. One of our investigators looked into what happened, but she didn't think Connectum had been unreasonable.

H disagreed and asked for the complaint to be considered by an ombudsman. They also submitted further information to Connectum, who confirmed that they had received all the information they required from H, and would release the funds as soon as practicable. The case was passed to me to decide.

Upon review I reached a different conclusion to the investigator, and issued a provisional decision which said:

*I'm satisfied that Connectum were required by their voluntary undertaking with the FCA to prevent any further transactions in May 2024. The effect of this is that H cannot access their funds – and I've seen nothing to suggest that were any concerns about H's account or activity that has led to it being restricted. And these types of restrictions are not placed by the FCA lightly and are usually a result of a failure in some way of the financial business.*

*The impact of this is that H has been without access to their funds for a considerable period, through no fault of their own. Some of this time was because Connectum were waiting for additional information on H's business and people associated with it.*

*Connectum have legal and regulatory obligations to ensure they understand how the accounts they provide are used, and where the funds they hold are from. It's not generally seen to be unreasonable for payment service providers to ask for information to conduct their due diligence. And it's also not unreasonable for an account to be blocked to prevent any further transactions, while they await the information.*

*I've reviewed the communication between Connectum and H. I don't see that the requests were unreasonable, or irrelevant. I'm also satisfied that the requesting documents be*

*certified isn't unreasonable or overly onerous. I appreciate that H felt the information requests were repetitive, or unnecessary considering it seems likely Connectum is ending their relationship with H. But I haven't found them to be unreasonable – the information asked for is relevant to the funds held, and H's entitlement to them.*

*In any case, Connectum have accepted that they have the required information, which I understand was submitted on 20 March 2025. But because of the voluntary undertaking with the FCA they cannot release the funds yet. So here, I see that from the point H submitted their last documents, they are being unfairly deprived of the use of their funds through circumstances that are not their fault.*

*As there are restrictions on what business Connectum can conduct without the FCA's consent, it wouldn't be appropriate for me to direct the release of funds immediately. This may interfere with their obligations to the regulator. And Connectum has said they will release the funds to H as soon as practicable. But I see that it would be fair for Connectum to compensate H for the period they haven't had access to their funds.*

*Our service's usual approach when a party has unreasonably been deprived of funds is to award 8% simple interest per annum on the total. Not having funds available will affect a whole host of financial decisions – and to attempt to rework or reconsider these decisions of several months, and up until Connectum is able to release the funds would be arduous, and not within the remit of our service to resolve complaints quickly and with the minimum of formality.*

*With that in mind, I'm satisfied that awarding 8% simple interest on the balance held is appropriate. It reflects the cost of being deprived of these funds. It's also in line with the statutory interest rate on judgement debts.*

This outcome was accepted by both parties. It now falls on me to issue my 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'm glad both parties could agree with the conclusions in the provisional decision – and overall I remain satisfied that this is a fair and reasonable outcome. As such Connectum should ensure that they release H's funds as soon as practicable and also add the 8% simple interest award.

### **My final decision**

To resolve this complaint Connectum Limited must:

- Refund H's funds as soon as is practicable
- Add 8% simple interest per annum to this refund, from 20 March 2025 to the date of refund

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 21 October 2025.

Thom Bennett  
**Ombudsman**