

The complaint

T is a company which has been represented in bringing this complaint by its director, whom I'll call Mr D. T complains that Teya Solutions Ltd restricted and closed its account and then did not return funds held in it.

What happened

Teya Solutions provides payment processing services, and T opened an account with it in May 2025. This enabled T to accept card payments.

On 8 July 2025 Teya Solutions told T that it would be ending the relationship with immediate effect, saying that T's business did not fit its risk appetite.

Mr D complained on behalf of T; he also asked that funds held by Teya Solutions – over £3,000 – be returned. Teya Solutions said that it had acted fairly and in line with the account terms. It also said that it would not return funds until there was no risk of claims, such as chargeback, against T. It said that could be up to 180 days or more.

Mr D also raised the issue of three refund claims. Teya Solutions initially said that refunds could be made to a bank account, but later corrected itself to say that they had to be made to the card which had been used to make the payment. It explained too what needed to happen if the original card account had been closed. It accepted that it had made an error in its explanation and offered T £100 by way of compensation.

Mr D did not accept the offer and continued to seek explanations for the account closure and for funds to be released. And he referred T's complaint to this service.

During the course of our investigation, Teya Solutions said on 10 September 2025 that it had completed a review of T's account and was satisfied that it could release funds. All the funds it held, along with the card refunds and the £100 compensation payment, were released to T shortly afterwards. Mr D remained unhappy, however, that money had been withheld. He said that Teya Solutions' actions had severely affected T's business and had damaged its credit rating.

Our investigator considered what had happened but did not recommend that the complaint be upheld. Mr D asked that an ombudsman review the case.

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.

In making its submissions, Teya Solutions asked that some of the evidence and arguments which it submitted be kept confidential and not be disclosed to T or Mr D. This service can accept evidence in confidence where it considers it appropriate to do so (DISP3.5.9(2)R). Having considered carefully the nature of the evidence in this case, I am satisfied that it is appropriate to accept some of it in confidence.

Banks and other financial services providers have various legal and regulatory obligations, some of which are to ensure that they understand what accounts are being used for. In order to meet those obligations, banks may sometimes need to review individual transactions or the wider use of accounts. And in some cases it may be appropriate to restrict or block accounts while a review is carried out.

I am satisfied that Teya Solutions acted appropriately in this case, both in deciding to review T's account and in blocking it while the review was carried out.

Nevertheless, any account review should be completed within a reasonable time. Again, what is reasonable will depend on the circumstances. In this case, T's account was closed on 8 July 2025 and the funds were released just over two months later. I do not believe there was any undue delay, although I accept of course that there was a significant interruption to T's business.

It is generally for financial services providers to decide whether to provide, or to continue to provide, services to any particular customer. They can exercise their commercial discretion in such matters and, as long as that discretion is exercised legitimately, this service won't usually intervene. I have considered that issue here, and am satisfied that Teya Solutions' decision to close T's account and to retain funds in the way it did was a legitimate one. It did not have to tell Mr D exactly why it had decided to close T's account.

Providers should however give reasonable notice before closing an account. What is reasonable depends on the circumstances, and there may be circumstances where immediate closure is appropriate. In this case, I agree with the investigator that it was reasonable of Teya Solutions to close T's account with immediate effect, in line with the account terms.

Finally, I note that Teya Solutions accepted that it made an error in the information it provided, but I agree that the compensation of £100 it has paid is reasonable in the circumstances.

My final decision

For these reasons, my final decision is that I do not uphold T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 4 March 2026.

Mike Ingram
Ombudsman