

The complaint

Miss O is unhappy that Zilch Technology Limited (Zilch) closed her account due to her disability and are refusing to reopen it.

What happened

In late October 2024, Miss O contacted Zilch to explain she was finding it hard to manage her account and make payments. Miss O said she suffers from learning disabilities and has lifelong OCD where she enters into credit agreements without fully understanding the terms or being able to afford them. Miss O provided medical evidence to support this and asked for the account to be closed, and the balance waived. Miss O also asked for a block to be placed against her name that would stop her from being able to open an account with Zilch again.

It appears Zilch closed the account and wrote off the outstanding balance. As in late November 2024, Miss O contacted Zilch and said it had agreed to close the account and remove the charges. Miss O then explained old account she held under a different email address had been reopened. Miss O explained she had said to block her details and to never let her have an account again. Therefore, she asked for this account to also be closed, and the balance removed. Zilch initially said no as the account had only recently been used. But on 24 December 2024 Zilch confirmed it had closed this account and written off the balance that was outstanding.

On 27 December 2024 Miss O contacted Zilch and asked for the first account she had asked to be closed be reactivated. She said she has previously struggled to pay on time due to another debt with a different company, but she was now not experiencing any financial difficulties and was perfectly capable of using Zilch. It seems the account was reactivated as on 19 January 2025, Miss O advised Zilch she has a lifelong disability and can't possibly afford the debt. So, she said the balance needed to be written off again as a disability matter and the account closed. Miss O repeated this to Zilch on 3 February 2025.

It again looks like Zilch did this, as on 12 March 2025 Miss O contacted it and said Zilch had recently closed her account and wrote of the balance due to her disability. Miss O then said she had been able to open a new third account (under a completely new email address). Miss O explained she had made it clear Zilch was to put a block against her details and this hadn't happened. She therefore said the account needs to be closed, the balance written off and all payments made towards it refunded. On 18 March 2025, Miss O contacted Zilch to see if the account had been closed and the balance written off. On 26 March 2025, Miss O explained she was entitled to a refund as Zilch hadn't kept to the agreement of blocking her from opening a new account.

Later the same day Miss O contacted Zilch and said she no longer wanted the account to be closed and would repay the outstanding balance. Miss O said if she ever contacts Zilch again about closing account and writing off balances it shouldn't take action. Zilch responded and said it was reviewing everything and would be in touch when it's reached a decision. It added that until then a block would remain on the new third account.

On 2 April 2025, Zilch issued its final response. In this it said that two previous accounts Miss O had help with Zilch had been closed with the balances written off due to personal circumstances Miss O had shared. Zilch said as per Miss O's requests, she shouldn't have

been able to open a third. Zilch said as a result it had decided to also close this account and write off the balance. It added that moving forward it had taken steps to prevent the creation of another account but said it wouldn't write off any further balances should Miss O be able to open another account.

Miss O initially responded and said she wanted the payments she had made towards the account refunded. Zilch said as it was writing off the whole balance it wasn't willing to do this. Miss O then said she wanted the account back up and running and that she would make all payments and not ask for a balance to be written off again. Zilch rejected this request. Miss O said this was discrimination and therefore referred the matter to the Financial Ombudsman Service.

One of investigators was passed the complaint to consider. They initially asked Zilch if it would be willing to reopen Miss O's account. Zilch said it had written off balance on three accounts and as a responsible lender allowing Miss O to use credit given what she had disclosed to them wouldn't be right. The investigator therefore issued their findings which said Zilch hadn't acted unfairly in refusing to allow Miss O to have an account or that it had discriminated against her.

Miss O remained unhappy, she said the medical evidence was from 2013 and that she was now on medication to help with her OCD so is fully capable of having a Zilch account. As Miss O didn't agree, the matter has been passed to me to decide.

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.

Miss O feels Zilch's decision to not reopen an account for her is down to her disability and therefore Zilch is discriminating against her.

Having taken into account what's happened here, along with relevant law such as the Equality act 2010 and industry guidance like Consumer Duty, I don't believe that Zilch's decision to not reopen Miss O's account was unfair or unreasonable. I'm satisfied Zilch has taken the decision it has based on Miss O previously explaining on several occasions that she wasn't able to manage accounts and requested they be closed with outstanding balances written off.

I'm pleased to hear Miss O say she feels capable now to run and hold an account with Zilch. But if Zilch was to reopen an account for Miss O, it is possible that a similar situation may occur with it again needing to close the account and write off further money. I do note that Miss O said similar in December 2024, before again advising she needed the account closed and the balance written off. This situation has occurred multiple times between October 2024 and April 2025 on three different accounts. So, I don't think it's unreasonable for Zilch to take the possibility of that happening again into consideration when deciding what action to take.

Zilch's products are a form of credit and given the history here I can see why Zilch does have concerns around whether a decision to reopen an account for Miss O would be seen as it lending money irresponsibly.

I know this will come as a disappointment to Miss O and I do acknowledge her frustration that she isn't able to utilise Zilch's credit facilities moving forward. But ultimately, I'm satisfied here that Zilch has made a fair and reasonable decision that's been taken after considering the facts, history and details. It's a decision taken that's to protect both Zilch and Miss O.

My final decision

I don't uphold Miss O's complaint against Zilch Technology Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 7 January 2026.

Paul Blower
Ombudsman