

## The complaint

Mr H complains that Zemplar Bank Limited wrongly restricted his account without telling him that it was doing so and that it then did not lift the restrictions, even though it had said it would do so. Mr H is particularly concerned that he can no longer make cash deposits, as the ability to do so at a Post Office was one of the reasons he chose the account.

## What happened

Mr H has explained that he opened an account with Zemplar Bank (which at the time traded as CashPlus) in 2022. He prefers to use cash, and the account allowed him to make cash deposits at the Post Office.

In November 2024 the bank contacted Mr H to ask him about an individual cash credit which he had made. Mr H explained that the cash had come from an item he had sold online and provided evidence of that.

Having received Mr H's response, Zemplar Bank wrote to him again on 10 December 2024. It said that the account was temporarily restricted. It said that Mr H would not be able to make payments from the account; he would however still be able to receive inbound payments. The bank went on to ask Mr H about his online sales activity – apparently in the belief that he might be selling items online as part of a business.

Mr H explained that he did not run a business selling goods online, but that he carried out some landscaping work, for which he was often paid in cash. That work accounted for some of the cash paid into the account.

The bank contacted Mr H again to ask for evidence of the landscaping work to which Mr H had referred – for example, invoices or correspondence. Mr H did not provide any more evidence, but complained about the bank's actions.

The bank responded to Mr H's complaint in a letter of 27 February 2025. That letter said that, as Mr H had reached his cash deposit limit, he would not be able to make more deposits until January 2025. It also referred to the outstanding information request and said: *"For consideration to be given to the reinstatement of your account, we kindly ask that you provide this at your earliest convenience, and we will endeavour to prioritise the review of your account."* It went on to say that it had increased the fees applicable to cash deposits for all its customers.

The bank's letter acknowledged that Mr H's initial complaint had not been passed to or acknowledged by its complaints team and said that Mr H's account had been credited with £25 in recognition of that.

Mr H referred the matter to this service, where one of our investigators considered what had happened. In an initial assessment of the case, the investigator did not recommend that the complaint be upheld. He did not think that Zemplar Bank had acted unfairly by maintaining restrictions on the account while there were outstanding queries about the source of funds.

Mr H did not accept the investigator's assessment and 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.

Mr H accepts that banks have an obligation to understand their customers and that they may need to investigate accounts to meet that obligation. He accepts too that they might need to restrict accounts while they carry out investigations. His complaint is that the bank in this case continued to ask for information after he had provided what it required and that he has been unable to deposit cash, even though he was told he would be able to do so.

Mr H accepts that he could deposit cash of up to £10,000 a year and that that limit was reached on or about 9 November 2024. He says however that the next 12-month period should have started in January 2025, but that he has been unable to make any cash deposits at all. The January 2025 date was confirmed in the bank's response to his complaint.

I have considered carefully what Mr H was told about the restrictions on his account. The bank told him on 10 December 2024 that his account would be restricted, but that he could still receive inbound payments. That might have given the impression that he could make cash deposits, but of course that was not the case, since the £10,000 annual limit had been reached. Mr H's inability to make cash deposits at that point was not a result of the bank's investigation.

The letter of 27 February 2025 was, however, a little different. As Mr H has noted, it said that he would be able to make cash deposits from January 2025. That was not in fact the case; nor did that statement really make sense, since January 2025 had already passed. But the letter also explained that the account could not be reinstated until Mr H had provided the information requested. So, whilst there was a degree of ambiguity in that letter, I think that, read as a whole and in context, it did not give rise to any real confusion. It was clear from the letter that the account was suspended, and it was also clear what Mr H needed to do to have any restrictions lifted.

Mr H believes that, in asking about his landscaping work, the bank was being unnecessarily intrusive. I am afraid I do not agree. Having established that, by his own account, Mr H was working for cash, I don't think it was unreasonable for the bank to follow up on that and to ask for evidence to support what it had been told. Mr H has said that he can easily supply it.

Mr H was initially asked about a single cash deposit. His answer – that it was the proceeds of an online sale – led the bank to ask whether he was routinely selling items online as a business. Mr H's answer to that question – that he was not and that some cash payments came from landscaping work – led to a further and slightly different line of questioning. I don't believe that was unreasonable.

Finally, I note that Zemplar Bank has acknowledged that it did not handle Mr H's complaint as well as it should have done, but I think its payment of £25 is a reasonable resolution of that issue.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 February 2026.

Mike Ingram  
**Ombudsman**