

complaint

Mr E complains that Vanquis Bank Limited ("the bank") was incorrect to place a block on his credit card account when he took a payment from a customer that it deemed suspicious.

background

In October 2014 a payment was made into Mr E's account via his mobile phone, but using another person's payment card. The following day a temporary block was placed on the account while the bank authenticated the payment. It wanted to do this to ensure that card that was used to pay wasn't being used fraudulently.

The money was then returned to the payment card holder. Mr E was contacted, and he advised that the money had been paid to him by customer as payment for services, but that he was unable to prove this as he couldn't get the information he needed from his customer.

In light of this the bank agreed to relax its requirement for proof of payment, and said that a letter from Mr E's customer's bank confirming name and address would be enough. However, Mr E said he couldn't provide this either.

He complained, saying that the bank wasn't allowed to block his account in this way. The bank responded saying that it wouldn't be able to lift the account block without the information it had asked for, and that it couldn't close the account until the outstanding balance was repaid.

The complaint came to this service, where our adjudicator reviewed the evidence and concluded that the bank hadn't done anything wrong in taking the account blocking steps that it had. He therefore didn't think the bank needed to do anything else to resolve matters with Mr E.

Mr E disagreed. He wanted his account to be closed. He said that he was in financial difficulties because he hadn't been able to use his card, and that he wanted compensation for this.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I have to advise Mr E that I'm in agreement with our adjudicator, and for the same reasons.

I don't think the bank has been unreasonable in taking the security measures it has in light of what it considered to be a suspicious payment into his account.

Knowing the details of how it was made I can see that the bank thought it sensible to ask for proof of payment, and I think it acted reasonably when Mr E said he couldn't provide this and instead asked for his customer's name and address confirmed by his/her bank.

Mr E is firm in his belief that the bank isn't entitled to block his account, but that's not correct. The bank is entitled to do so as per the terms and conditions Mr E signed when he opened the account.

In relation to the financial difficulties issues, I haven't seen that this issue was raised with the bank when Mr E complained about the account block, and that it had a chance to respond. On that basis I won't be looking at that element of the complaint in this decision.

my final decision

My final decision is that I don't think the bank has done anything wrong, and I won't be asking it to take any further action to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 13 July 2015.

Ashley L B More
ombudsman