

complaint

Mrs O complains that PSI-Pay Ltd froze and closed her account. She wants PSI to allow her access to the money remaining in her account.

background

Mrs O had an account with PSI.

On 16 April 2018, PSI blocked Mrs O's account. This meant she couldn't access the money in her account. On 20 April 2018, PSI wrote to Mrs O to let her know it had decided to close her account immediately.

Mrs O complained to PSI and said the money in her account was from online gambling sites and should be released. PSI said it hadn't done anything wrong and had acted in accordance with the account terms and conditions. Unhappy with this response, Mrs O brought her complaint to this service.

An investigator looked into Mrs O's complaint. He said PSI had acted in line with its legal and regulatory obligations when it blocked Mrs O's account. And it hadn't done anything wrong when it closed her account. Mrs O disagreed. She wants PSI to release the money in her account. So the complaint has come to me decide.

my findings

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

I'll start by setting out some context for the block of Mrs O's account. Anti-money laundering regulations and UK legislation place extensive obligations on regulated financial businesses to have suitable systems in place for customer identification. Financial institutions must also establish the purpose and intended nature of a business as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. PSI has said that Mrs O's account was frozen to meet these legal requirements.

Mrs O says she hasn't done anything wrong and she doesn't understand why PSI won't give her access to the remaining money in the account. Whilst I understand Mrs O's strength of feeling, as I've already explained businesses have a legal obligation to comply with various laws and regulations. Having looked at the evidence in this case, I think it's fair and reasonable PSI took the action it did when it blocked Mrs O's account. The terms and conditions of Mrs O's account outline that PSI can block an account. Having considered those terms carefully, I'm satisfied PSI acted in line with them. So, I'm not going to ask PSI to release any money to Mrs O.

I know Mrs O wants PSI to explain the reason it restricted her account. And I can understand Mrs O's frustration, especially given the length of time that has passed. But PSI is under no obligation to provide this information to Mrs O, as much as she'd like to know. So, I can't say PSI has done anything wrong by not providing this information to Mrs O.

account closure

A bank is entitled to close an account with a customer just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account.

Section 23.4 of the terms and conditions of Mrs O's account confirm PSI can close the account immediately. It states:

"we may at our discretion suspend or otherwise restrict the functionality of your ecoAccount and your right to request Transactions and receive eMoney transfers or close Your ecoAccount at any time."

I've seen a copy of an email which PSI sent to Mrs O dated 20 April 2018 informing her that her account had been closed and funds frozen. So, I'm satisfied that PSI has complied with the terms and conditions of the account.

I appreciate that the closure of the account has caused Mrs O inconvenience. But the bank can make commercial decisions about who it offers banking services to. They cannot unfairly discriminate against a customer. But they can say they no longer wish to do business with individuals. That's because they've got the commercial freedom to decide who they want to contract with. And I'm satisfied that PSI has exercised its commercial decision legitimately when it decided to close Mrs O's account. So, I cannot fairly and reasonably say it's done anything wrong.

In summary, whilst I acknowledge Mrs O's frustrations with the situation relating to her account. And that the account being frozen and closed impacted on her. I don't think PSI failed to properly follow its own procedures. So, I'm not going to ask PSI to do anything.

my final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 25 November 2019.

Sharon Kerrison
ombudsman