

complaint

Mr R complains that Advanced Payment Solutions Limited ("APSL") didn't close his account when he asked it to and he's unhappy with the service he's received from APSL.

background

Mr R says he opened a current account with APSL (account ending ****0432) and at the same time took out an additional facility – "*Creditbuilder*". He says he experienced problems sending payments to this account, so in June 2017 he emailed APSL and asked it to close the account. Mr R told us:

- he sent a number of emails to APSL in June 2017 because his payments weren't crediting his account. But he was told his account couldn't accept payments in the format he was sending them.
- he sent a further email on 23 June 2017 asking APSL to close his account and when he heard nothing further, he assumed his account had been successfully closed.
- some time later after he switched banks, he opened a new current account with APSL (account ending ****2038) - he was now able to send payments in the format that it could accept. And at the same time he took out another *Creditbuilder* facility.
- he was resolving some problems with his new account and he discovered that he had an outstanding debt of £41.65 on his first account, the one he thought had been closed two years earlier. He says he was unaware of this debt and hadn't been notified that APSL had defaulted it in January 2018.
- he's had to make a number of telephone calls to APSL to resolve the issues and the service he's received has been below the standard he should've been able to expect.

APSL rejected this complaint. It said it couldn't close Mr R's account (****0432) in June 2017 because he had another facility – *Creditbuilder* – attached to it. It says it defaulted his account in January 2018 because the outstanding debt on the *Creditbuilder* facility had reached £41.65. It says if Mr R repays the outstanding debt he can ask it again to close the account.

Our adjudicator looked at this complaint and said he thought it should be upheld. He explained that the account terms and conditions weren't clear – they suggested a customer could close their account by email, even though no contact details were provided. And although he accepted that Mr R's account couldn't be closed whilst the linked *Creditbuilder* facility had an outstanding balance, he didn't think it was fair that APSL had defaulted the account without notifying Mr R of the outstanding debt or the fact that it intended to default his account.

Our adjudicator highlighted the poor service Mr R had received from APSL and asked it to pay him £100 in recognition of this. And he asked it to allow Mr R to repay the outstanding debt on his first account and then remove the default associated with it before closing the account.

APSL disagreed so the complaint comes to me to decide. It says it wasn't its fault that Mr R's payments couldn't be credited to his first account and it didn't default his account for a full six months which should've given Mr R time to pay the outstanding debt. It says the default was applied correctly and fairly and it doesn't think it should be removed.

APSL says there were other ways in which Mr R could've contacted it about closing his account and these are detailed on its website. But it did acknowledge the service it had given Mr R *"was not ideal"*. And it suggested it would *"agree to meeting in the middle of the goodwill gesture and would be willing to pay £50"*.

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 tell APSL that I think the adjudicator reached the right outcome here. And I think he set out the position very clearly so there's very little I can usefully add to what's already been said.

The crux of this complaint is whether APSL acted fairly and reasonably when it failed to follow Mr R's instruction to close his account and then went on to default it because of the outstanding balance.

I've seen the email trail between Mr R and an APSL when it first came to light that Mr R's payments couldn't be credited to his account. And it's in this email trail that Mr R asks APSL to close his account. I accept that APSL may have provided contact information on its website, but I agree with our adjudicator that it wasn't unreasonable of Mr R to expect APSL to act on his email instruction, given that this instruction was a result of information he'd learned in that same chain of emails. And I'm also satisfied that in the event that APSL needed Mr R to do something differently, it should've acknowledged his email and given him alternative instructions.

APSL says that there's an outstanding balance on the account that Mr R opened first (****0432). But I don't think this is in dispute. I've not seen any evidence or testimony from Mr R disputing that there's a balance on his account that needs repaying. What is in dispute is whether Mr R knew the extent of the outstanding balance at the time and whether APSL correctly notified Mr R that it intended to default his account in January 2018.

APSL says it sent Mr R notification about his debt and then sent him a default notice before it defaulted his account. Mr R says he never received any notification or notice from APSL. This Service asked APSL for evidence that it had correctly served Mr R with a default notice – we asked for this evidence on several occasions in July 2019 and August 2019. But although APSL said in July 2019 it would send in proof that the default notice and other correspondence were issued when it says they were, to date it's provided nothing. In view of this, I'm not persuaded I can safely conclude that APSL notified Mr R of the outstanding balance on his first account or that it served him with a default notice as it should've done. So, I'm going to ask it to remove the default from this account as soon as Mr R has repaid the outstanding balance.

Finally, I've noted that APSL wants to *"meet in the middle"* and is willing to pay Mr R £50 in compensation but I don't think this recognises the inconvenience and very poor service that Mr R has experienced. So, I'm going to ask it to pay him £100 to settle this complaint.

my final decision

My final decision is that I uphold this complaint and direct:

- Advanced Payment Solutions Limited to pay Mr R £100 to settle this complaint.
- Advanced Payment Solutions Limited to provide Mr R with a written breakdown of the outstanding debt on his account (****0432) so he can fully settle his outstanding debt.
- Advanced Payment Solutions Limited to close the account (****0432) and remove the default once Mr R has repaid the outstanding debt.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 February 2020.

Andrew Macnamara
ombudsman