

The complaint

Mr D complains that Monese Ltd blocked his current account and didn't release his funds. He'd like his funds returned and compensation for the distress caused.

What happened

Mr D had a current account with Monese. On the 19 April 2019 he received a payment of £9,900. After receiving the credit Monese asked Mr D to provide evidence of his entitlement to the funds and restricted access to his account. And on the 29 April 2019 Monese closed Mr D's account.

In July 2019 Mr D complained to our service to say that Monese hadn't released his funds. Monese accept that on the 23 December 2019 they were notified the funds could be released – however they didn't release his funds until the 28 April 2020.

One of our investigators looked into Mr D's complaint and concluded that Monese acted fairly in restricting access and closing Mr D's account however they should have released his funds sooner – in December 2019. And because of the inconvenience caused they directed Monese to pay £150 compensation in recognition of this.

Mr D accepted our investigator's opinion. However Monese didn't respond. So it's been passed to me for a decision.

On reviewing Mr D's complaint I came to a slightly different conclusion to our investigator. And I wrote to Monese outlining my thoughts on the 17 January 2021 giving them until the 1 February 2021 to reply. Mr D's accepted my thoughts however Monese haven't replied – so I've proceeded to issue my final decision.

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.

Having done so I've reached a slightly different conclusion to our investigator and I've explained why below.

In my initial thoughts I explained that I'm satisfied that Monese were entitled to restrict Mr D's access to his account and close it without notice on the 29 April 2019. I say this based of the terms and conditions of Mr D's account which allow the bank to close an account with *immediate* notice in certain circumstances – which I'm satisfied Monese have met on this occasion. Mr D accepts this, so I won't go into this in more detail.

However I've moved on to consider Monese's actions when releasing Mr D's funds. And I'm satisfied - as I think Monese accept - that the bank made an error in failing to release Mr D's funds sooner namely the 23 December 2019 or shortly thereafter. I say this as I'm satisfied Monese were provided with sufficient information on this date to release his funds, and therefore acted incorrectly in not doing so.

In my initial thoughts I explained that I thought by holding on to Mr D's funds for longer than Monese should have they caused him inconvenience – which I think is fairly compensated by £150. However Mr D was also deprived of the use of this funds – therefore I think he should be compensated 8% interest in recognition of this.

Monese haven't presented any new arguments for me to consider so I no reason to change my conclusions.

Putting things right

I direct Monese Ltd to:

- Pay Mr D £150 in compensation.
- Pay 8% on the funds returned from the 23 December 2019 to the 28 April 2020.

My final decision

My final decision is I uphold this complaint against Monese Ltd as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 March 2021.

Jeff Burch
Ombudsman