

The complaint

Mr R is unhappy that AJ Bell Management Limited (AJ Bell) blocked his account and didn't allow him access. He says he was unable to sell shares at the best price and has suffered a loss. He would like compensation. Mr R's account was also closed.

What happened

Mr R had a stocks and shares ISA account with AJ Bell. On 17 November 2021 the account was blocked for review.

AJ Bell received a number of calls and emails from Mr R. AJ Bell were concerned that a third party was trying to access Mr R's account. They wrote to Mr R at his address and said they were concerned that his account was opened by a third party, and they were not speaking to the genuine account holder. They refused to speak to the caller and refused to allow him to trade on the account.

On 6 December 2021 AJ Bell let Mr R know they would be closing his account and sending the balance to his nominated bank account. The amount of £4,567.36 was sent to Mr R's registered bank account on 9 December 2021 and the account was closed.

AJ Bell said they had blocked and closed the account in line with the terms and conditions.

Mr R complained to our service. One of our investigators looked into the complaint. She said she thought the business had legitimate reasons to take the actions that it did. She thought they had done nothing wrong, and she wouldn't award any compensation.

Mr R was unhappy with the view and wanted someone else to look at the complaint.

As there was no agreement the matter has come to me to decide.

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.

Firstly, I would like to apologise to Mr R for the time it has taken to reach a view on his complaint.

I'll start by setting out some context for the review of Mr R's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. These obligations override all other obligations. I am satisfied AJ Bell were complying with these obligations when they reviewed Mr R's account.

AJ Bell haven't made a secret of the fact that they were concerned that they weren't talking to their genuine customer despite the caller passing security questions.

As the investigator has explained our rules allow us to receive evidence in confidence from

businesses. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains information about other customers or security information.

I have reviewed the information we have received in confidence from the business and having done so I can see why AJ Bell had genuine concerns and why they refused to speak to the caller about the account and act on their instructions.

Mr R has said that as a result of AJ Bell refusing to act on his instructions, he has lost a lot of money as he wanted to trade the shares that he had. He says he has lost around £1,000 as a result. I have listened to the calls that Mr R made to AJ Bell and having done so I can appreciate the frustration that Mr R experienced not being able to trade on his account. However, I can also understand the point of view of the business and the need to keep Mr R's account safe. AJ Bell weren't satisfied they were talking to the account holder. So, although I appreciate Mr R would have made a profit had he been able to trade his shares I don't think AJ Bell did anything wrong when they refused to follow Mr R's instructions on the phone or discuss the account with him.

AJ Bell gave Mr R notice to close the account in a letter dated 6 December 2021. Mr R has said this isn't the main subject of his complaint. For completeness I will address this below.

It's generally for financial institutions to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Each financial institution has its own criteria and risk assessment for deciding whether to open or close accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there's a very good reason to do so, this service won't usually say that a financial business must keep customer or require it to compensate a customer who has had their account closed. As long as they reach their decisions about that in a legitimate manner, this service won't usually intervene.

I wanted to reassure Mr R that I have looked at the terms and conditions as well as the reasons AJ Bell have given this service for the closure of the account, and I'm satisfied that AJ Bell were entitled to close the account in line with the terms and conditions Mr R would have agreed to when he opened the account. It follows I'm satisfied AJ Bell didn't act unfairly when it closed Mr R's account.

In summary although I appreciate Mr R will be disappointed with my decision, I don't think AJ Bell have done anything wrong or treated Mr R unfairly when they reviewed blocked and closed Mr R's account. I won't be asking them to do anything else.

My final decision

For the reasons stated above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 8 August 2023.

Esperanza Fuentes
Ombudsman