

The complaint

G, a company, complains that Blackthorn Finance Ltd gave notice that it was closing its account and that it has not returned funds held to its credit.

What happened

Blackthorn is a payment service provider. G is a company registered outside the UK, dealing in computer and technology services. It holds a payment services account with Blackthorn.

In June 2022 Blackthorn gave notice to G that it would be closing its account. At the time, G's account with Blackthorn was over €85,000 in credit. The account remains blocked, and Blackthorn has not returned funds to G.

When G complained and asked for the balance of funds to be transferred to it, Blackthorn said that a number of G's customers had made claims against it and that it would not release funds until those claims had been investigated.

G referred the matter to this service, where one of our investigators considered what had happened. Having done so, she did not recommend that the complaint be upheld. G did not accept the investigator's conclusions and asked that an ombudsman review the complaint.

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 that, I have reached the same overall conclusion as the investigator did, and for similar reasons.

As the investigator explained in her preliminary assessment, financial businesses such as G have certain legal and regulatory obligations. Those obligations may require a business to suspend or restrict account operations from time to time. I note that Blackthorn's account terms expressly allowed it to review accounts and, in some circumstances, to block them.

Blackthorn later explained that it was aware of claims made against G. I am satisfied that claims have been made and that it therefore was and is reasonable that G's account be blocked until investigations into those claims are complete.

I note as well that the account terms allowed Blackthorn to close accounts. As a general principle, financial services providers are not obliged to provide or to continue to provide services to any particular customer. As a matter of their own commercial judgment, they can decide whether or not to do so, and this service won't usually interfere with such decisions. I do not believe there is any reason for me to do so in this case.

My final decision

For these reasons, my final decision is that I do not uphold G's complaint and do not require Blackthorn Finance Ltd to do anything further to resolve it.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 5 March 2024.

Mike Ingram
Ombudsman