

## **The complaint**

Mr S complains that WorldRemit Limited blocked and closed his account without an explanation. Mr S says he found it difficult to contact anyone to get information from them. He would like an explanation and the account reactivated.

## **What happened**

Mr S had an account with WorldRemit.

Following activity in the account WorldRemit conducted a review of Mr S's account in March 2022. They requested information from Mr S about the transactions in the account. Mr S provided some information.

On 13 July 2022 WorldRemit decided they weren't satisfied with Mr S's answers, so they blocked his account. Mr S was asked to provide further information on 18 July 2022. Mr S provided the information requested on the same day. On 21 July 2022 Mr S was informed that his account would close with immediate effect.

Mr S was unhappy he wasn't able to contact WorldRemit once his account was closed.

Mr S complained to our service. One of our investigators looked into the complaint. WorldRemit didn't respond to her requests for further information. So, she determined the complaint based on the evidence available. She thought that WorldRemit was entitled to review the account and ask for information to comply with its legal and regulatory obligations. She also thought WorldRemit was entitled to close the account but should have given Mr S warning about the closure. She didn't think that WorldRemit had provided good customer service because Mr S was unable to contact them after the closure.

She thought WorldRemit should pay Mr S £100 compensation.

Mr S accepted the outcome. WorldRemit didn't respond. As there was no agreement the matter came to me and I issued a provisional decision.

In my provisional decision I said:

*I'll start by setting out some context for the review of Mr S'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. This applies to both new and existing relationships. These obligations override all other obligations. I am satisfied WorldRemit were complying with these obligations when they reviewed Mr S's account.*

*I'm satisfied that WorldRemit were entitled to ask for the information they requested from Mr S to comply with their legal and regulatory obligations, so I don't think they have acted unfairly here.*

*Because of these requirements financial businesses, like WorldRemit, have to monitor their*

*customers' accounts and may need to review an account at any time. While that is happening, they may need to block or restrict any payments.*

*This is reflected in WorldRemit's terms and conditions. WorldRemit requested information from Mr S which he didn't think needed to be provided.*

*Because WorldRemit didn't receive the answers they needed they blocked the account and requested further information. This was requested four months after the original information request. Looking at the emails between Mr S and WorldRemit I appreciate that Mr S was confused as there had been no further mention of the information and Mr S had been using his account for four months without any problem. I can understand why Mr S was confused about the block and request for further information and didn't realise it related to the request from four months earlier. Mr S did provide information that WorldRemit had asked for on 18 July 2022.*

*Mr S received notice that his account would close with immediate effect on 21 July 2022. The investigator in her view said that she thought Mr S should have been given warning that the account would close and looking at the evidence I agree.*

*As the investigator explained it's generally for financial institutions to decide whether or not they want to provide, or to continue to provide, financial facilities to any particular customer. Unless there's a good reason to do so, this service won't usually say that a financial institution must keep a customer or require it to compensate a customer who has had their account closed.*

*But in closing an account a financial institution must act fairly. This normally means providing the customer with notice before closing the account. There are certain circumstances that a business can close an account with immediate effect. Mr S's account was closed with immediate effect but looking at everything WorldRemit haven't provided me with enough information for me to be satisfied that an immediate closure was warranted here.*

*Mr S has also mentioned that he had great difficulty in contacting WorldRemit to find out why his account had closed. He has said he didn't get a reply to emails, and he had to contact the company in other ways in order to get a response. I'm satisfied that WorldRemit could have treated Mr S better by giving him warning of the immediate closure of his account and providing better customer service when Mr S tried to contact them. Mr S should receive compensation for this. The investigator thought £100 was a fair amount in the circumstances. Mr S agreed with that assessment. I haven't seen anything to persuade me to change that amount, which I think is fair in the circumstances.*

*To put things right I am minded to ask WorldRemit to pay Mr S £100 compensation for the inconvenience caused to him.*

### **Responses to my provisional decision**

Mr S has accepted my provisional decision. He said he was unhappy that WorldRemit hadn't provided a reason for the disabling of his account. He said that as they hadn't provided their reasons to the ombudsman or to him, they should be sanctioned. Mr S says he would like an apology and an acknowledgement that he didn't do anything wrong.

WorldRemit said they were entitled to block and close the account and had complied with the terms of the account. They said they didn't think they had to compensate Mr S as their actions were carried out to comply with their legal and regulatory obligations.

Now both sides have had an opportunity to comment I can go ahead and 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.

I've considered Mr S's comments about my provisional decision. Mr S has mentioned that he thinks Worldremit should be sanctioned. I accept Mr S has found it frustrating to deal with Worldremit however the Financial Ombudsman Service is a dispute resolution service, and our remit is to decide cases on a fair and reasonable basis taking account of the law and regulations, codes and good practice. We do not sanction businesses.

Mr S has said he wanted a reason for the disabling of his account. But WorldRemit doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr S the reasons behind the account block, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr S this information. And it wouldn't be appropriate for me to require it to do so.

I have considered the comments made by WorldRemit. I accept that they are entitled to review and block and close accounts and their terms allow them to do so.

However, As I mentioned in my provisional decision WorldRemit must provide this service with information to show why an immediate closure was warranted. Having received the provisional decision they haven't subsequently provided enough information to this service to show that they acted fairly when they closed the account with immediate effect. Because of this I must conclude that Worldremit haven't provided me with anything that would lead me to change the findings in my provisional decision.

For all these reasons and the reasons outlined in my provisional decision, my view on what the fair and reasonable outcome on this case is remains the same as set out in my provisional decision.

### **Putting things right**

To put things right WorldRemit should pay Mr S £100 compensation for the inconvenience caused to him.

### **My final decision**

For the reasons mentioned above I uphold this complaint and I require WorldRemit Limited to pay Mr S £100 compensation for the inconvenience caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 January 2024.

Esperanza Fuentes  
**Ombudsman**