

The complaint

Mr O complains that World First UK Ltd (“WF”) blocked a payment he received and asked for unnecessary information.

What happened

Mr O was sent a payment from a client on 20 October 2022 totalling £55.39. He says that WF did not inform him they had blocked this payment in a timely manner, and they requested significant amounts of information for them to release it. He’s said he was unable to upload the information due to issues with the WF website. Mr O felt the staff handling his request were rude and did not adequately help him. The funds were returned to the sender on 6 December 2022 and Mr O says he has ended his relationship with WF as a result of this issue.

WF says that they asked Mr O for additional information, such as an invoice, to verify the source of the payment and that doing so was within the terms and conditions of the account. However, they say Mr O chose not to supply them with the information that they felt was reasonable. They did agree that some of the phone calls were not as professional as they would have liked and paid Mr O £50 compensation in recognition of this.

Mr O referred the complaint to our service and our Investigator looked into it. They felt that overall, WF had not made an error when it requested information to verify the payment and that the £50 compensation was sufficient in the circumstances.

Mr O disagreed with the outcome. He reiterated that he could not upload the information due to issues with the website and that he was not informed of the blocked transaction until he contacted WF to chase the payment in November. He felt the term that the Investigator had relied upon was unfair and that WF had created roadblocks for him along the way, amongst other things.

As an informal agreement could not be reached, the complaint has been passed to me for a 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 agree with the Investigator for largely the same reasons. I’ll explain why in more detail.

Mr O has mentioned other issues, including excessive fees and charges and what he felt amounted to a ‘fishing’ scam from WF. However, I can’t see that WF has been given a chance to answer these complaint points first. So, I have not considered them further as part of this decision.

There is a disagreement over when WF first asked Mr O to verify the payment that was

attempted to be paid into his account on 20 October 2022. Mr O says he only became aware in November when he contacted WF chasing the payment. But WF says they contacted him on the same day the payment was attempted.

WF has been able to provide us with a screenshot of their internal systems showing they sent an e-mail on 20 October 2022 to the address that Mr O has confirmed was correct, the same day that the payment was attempted. The title of the e-mail is 'action required: we need to verify a payment you received'. The content of the e-mail is no longer available but based on the timing of the e-mail and the subject of it, I think it's more likely it is regarding the attempted payment of £55.39. I appreciate Mr O has said he did not receive the e-mail, however as I'm satisfied WF sent it, I think they attempted to verify the payment in a timely manner so they did not make an error in the circumstances.

Mr O has said he was asked for 'gigabytes of information' in relation to the payment, as well as links to his online storefronts, which he found to be unreasonable. WF has said their notes confirm they would have only asked him for an invoice showing the payment was due and confirming the source of the funds.

Listening to the phone calls from 18 November 2022 when Mr O first called WF about this issue, one of the advisors tries to talk Mr O through uploading documents on his online banking and mentions that there should be the option to upload an invoice, which supports their notes reflecting only an invoice was required.

Mr O has sent us e-mails between himself and WF. One e-mail was from WF dated 6 January in which they explain they are carrying out a periodic review of his account and ask him for information about his business, including any links to his storefronts. I think it is likely this is the request Mr O is recalling, however this was requested some two months after he first contacted WF about the blocked transaction of £55.93 and is related to a separate issue.

On balance, I think it's more likely WF only required simple documentation related to the payment itself to prove the source of the funds, such as an invoice.

I've considered whether or not it was reasonable for WF to withhold the payment, pending further information on the source of the funds. They have pointed to their terms and conditions which state:

2.10. We may require you to provide us with additional information and documents from time to time prior to using the World Account. Such additional information might include documents allowing World First to verify the source of the funds, including but not limited to invoices for services delivered for which you are being paid, and payment confirmation from the entity sending the funds.

Looking at this, the terms do allow WF to request additional information and specifically cite invoices to verify the source of funds. While the terms do not specifically say they can withhold a payment, it does say they can ask for information prior to using the World Account. And I think it is reasonable for them to apply this term to Mr O's specific circumstance when they asked for additional information prior to the funds being collected from the sender and crediting his account.

Mr O has mentioned that he feels the term is unfair and there should be specific grounds under which they can apply it. I've considered the term generally and I don't think it creates a substantial imbalance in the rights and obligations between WF and Mr O. They've ultimately asked Mr O for documentation showing the source of the funds in order to ensure the payment is legitimate and meets their security measures and I don't think this is

unreasonable.

I do understand Mr O's frustration that he has received other payments from the same company in the past, but I don't agree that this means WF should never carry out additional checks. In one of the calls on 18 November 2022, the call handler explains the check has occurred as a result of their systems being migrated to a new platform, and one-off checks needing to be completed to verify payments going forward. And while Mr O may disagree, on balance I don't think this is unreasonable, though I accept it has been an inconvenience to Mr O.

Mr O has said that issues with WF's website meant he was unable to upload the documents. He has provided a screenshot, but it is unclear what this is related to. While I appreciate Mr O's comments, I can also see that in the calls from 18 November 2022, he disagreed with the principle of having to provide additional documentation and made it clear he did not want to provide anything to do with the payment. And in the e-mail chains I have seen between himself and WF after that point, there is no mention of Mr O being unable to upload documents, just that he was unable to access the funds.

In any event, the funds were returned to the sender on 6 December 2022 – around 12 working days after Mr O first contacted WF about it. While this could have been completed quicker, I'm also conscious that Mr O had raised a complaint at the same time about the issue, and I think it was reasonable that the return of the funds was delayed whilst an investigation was ongoing. This was completed on 1 December and following the final response letter being issued, the funds were released on 6 December. Considering this, I don't think it would be reasonable to ask WF to provide Mr O with compensation in relation to this aspect of the complaint.

WF offered and paid Mr O £50 compensation in relation to a comment one of the call handlers made as well as an e-mail sent to Mr O on 24 November 2022 not including clear information on what they required from him. Having listened to the calls and reviewed the communications, I agree that £50 compensation is fair in the circumstances, and I don't recommend an increase of this amount.

My final decision

I do not instruct World First UK Ltd to take any further action to remedy Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 22 August 2023.

Rebecca Norris
Ombudsman