

The complaint

Mr P complains that Cynergy Bank Limited (Cynergy) blocked his accounts, meaning he couldn't make payments or deposits.

What happened

Mr P told our service that Cynergy blocked his accounts on 23 July 2021. He said he made numerous phone calls to Cynergy and filed a formal complaint on 29 July 2021. He said Cynergy gave him 2 months' notice of its intention to close his accounts, and that it retained his account balance of £34,788.11, despite the fact that he had emailed Cynergy with his new bank details and instructions to send the account balance to him.

Cynergy issued its final response to Mr P's complaint on 18 August 2021. It said it understood its actions had inconvenienced Mr P, but said it had acted in line with its policy and the terms and conditions of the accounts, so it didn't uphold his complaint.

Mr P remained unhappy, so he brought his complaint to our service. She said Cynergy had acted in line with its internal processes and the terms of P's accounts, so she didn't uphold the complaint. Mr P didn't accept what our investigator said, so he asked for an Ombudsman to review the matter afresh.

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.

Account block

All banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. That sometimes means they need to restrict customers' accounts while they carry out a review.

So, in order to make an award in favour of Mr P, I would need to be satisfied that Cynergy acted unfairly or took actions it wasn't entitled to take. Having looked at the evidence, I'm satisfied Cynergy acted in line with its legal and regulatory obligations when it blocked Mr P's accounts. And that it was entitled to do so under the account terms and conditions that governed the relationship between Cynergy and Mr P.

I appreciate Mr P is frustrated that Cynergy didn't explain its reasons in full, that he thinks he was lied to, and that he feels strongly about his complaint. But, under the terms and conditions of the accounts, Cynergy doesn't have to give a reason for doing so. So, I can't say it did anything wrong by not giving Mr P this information when he complained. And, having investigated Cynergy's rationale myself, I'm satisfied it was entitled to block the accounts and complete the investigation in the manner it did. And I've seen no evidence to suggest it treated Mr P unfairly.

Account closure

A bank is entitled to close an account with a customer, so long as it does so in a way that complies with the terms and conditions of the customer's account.

The terms and conditions of Mr P's accounts – with which both Cynergy and Mr P had to comply – say that Cynergy could close the accounts by giving 2 months' notice.

While I can't disclose the reasons for Cynergy's decision to Mr P, I can say that I've considered the evidence I've been provided, and I'm satisfied Cynergy acted in accordance with its terms and conditions when it closed Mr P's accounts.

I recognise that Mr P's accounts remained blocked during the notice period, but for the reasons I've set out above, I'm satisfied Cynergy was entitled to block the accounts and keep them blocked during the notice period.

Account balance

Mr P also complained that Cynergy didn't release his account balance when he asked it to do so. He sent our service copies of emails dated 30 July 2021 and 13 August 2021 that he had sent to Cynergy, including his bank details and requesting release of his account balance.

Cynergy told our service it required Mr P's bank details to be submitted either in writing, or via secure message through Mr P's online banking. It says it confirmed the position to Mr P in its notice to close his accounts, and in follow-up emails. It says it didn't release Mr P's because he hadn't complied with its requirements.

When our service confirmed Cynergy's requirements to Mr P, he duly issued his instructions by letter and Cynergy released his account balance of £34,768.11 on 24 July 2023, followed by an interest payment of £3.63, two days later.

Given Mr P complied with Cynergy's requirements when our investigator contacted him, I asked Cynergy to confirm if it ever replied to Mr P's emails. I said it seemed Mr P had misunderstood what he needed to do and that Cynergy needed to demonstrate it had taken sufficient steps to explain its requirements to Mr P, failing which I would award compensation.

With its reply, Cynergy sent me an email chain that ran from 30 July 2021 to 16 August 2021. It started with Mr P providing his bank details and asking for his balance to be returned. Cynergy replied, attaching a copy of its letter that set out its requirements to release the funds: i.e it needed Mr P's account details in writing or via online banking.

Mr P replied 2 weeks later, asking where his money was, and repeating his bank details. Cynergy asked if Mr P had sent his bank details in accordance with the instructions set out in its notice to close letter.

In response, Mr P said he had replied to a letter from a Cynergy employee (Mr J), including his account details as requested. Cynergy replied saying it can only accept Mr P's instructions by secure message or in writing, and it included a screenshot of the letter from Mr J that confirmed the same.

Mr P responded again, repeating that he had given his bank details as asked by Mr J and asked Cynergy to explain the position clearly if he had not understood it. Cynergy explained that Mr J's letter set out the 2 options for Mr P to provide his bank details (via online banking or in writing) and said it would accept a scanned version of Mr P's written instructions.

Given Mr P did comply with Cynergy's requirements when our service wrote to him, it seems to me that he would have done so sooner, had he understood the position correctly. After all, there was a significant sum of money at stake and the requirements to obtain that money were not onerous. So, I accept that Mr P may not have understood what he had to do.

However, I can only tell Cynergy to compensate Mr P for losses he suffered if those losses were caused by an error on its part. And I can't tell Cynergy what its processes should be, I can only check to see if it followed its process correctly and treated Mr P fairly. And I'm satisfied from the email correspondence I've set out above that Cynergy did treat Mr P fairly: it followed its procedure correctly and took sufficient steps to explain its requirements, so I don't hold it responsible for the delay.

Mr P did seem to misunderstand Cynergy's first letter from Mr J. But Cynergy clarified the correct position to Mr P four times after its notice to close letter, and I'm satisfied it explained the position clearly on each occasion.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 6 September 2023.

Alex Brooke-Smith
Ombudsman