

The complaint

B complains about delays and poor service when changing the primary account holder on its business account with Advanced Payment Solutions Limited trading as Cashplus.

What happened

B is a limited company that was formed in 2021 with two directors. One of B's directors applied to Cashplus for a business account. They were named as the primary account holder. In May 2021 the primary account holder contacted Cashplus to discuss arrangements for adding the B's other director, Mr P, to the business account. They went on to raise a complaint. Cashplus reviewed B's complaint and gave the primary account holder instructions on how to add another director to the account and the complaint was closed. No action to add a further director to B's account was taken at that time.

In February 2023 the primary account holder contacted Cashplus and explained he was planning to resign as director of B and asked how to add Mr P, the other director, to the account. Cashplus says it wrote to the resigning director at the beginning of March 2023 to advise it needed confirmation of the change on company headed paper along with documents to verify Mr P's identity and address. Cashplus says that in the weeks that followed Mr P sent in various documents but some were unreadable due to the quality of the copies. Cashplus also says Mr P forwarded an incomplete driver's licence as the copy didn't show both sides and online utility bills it was unable to accept.

A short time later, the other director resigned from B and the remaining director, Mr P, has explained that the process of changing the primary account holder has been handled poorly by Cashplus. In particular, Mr P says that despite trying to make account amendments to reflect the changes in B's structure, the process was unnecessarily difficult and time consuming.

Cashplus says that after several attempts, Mr P provided the required documents on 17 May 2023 and the amendments to the account were made on 22 May 2023.

Mr P's told us that on 30 May 2023 he sent an email to all B's clients advising he was shutting the business due to being unable to access funds in its bank account.

On B's behalf, Mr P raised a complaint and Cashplus issued a final response on 6 June 2023. Cashplus said the account had remained active and operational during the period Mr P was attempting to change the lead account holder. Cashplus also said it had requested information from Mr P to verify his identity and address but that the initial documents provided weren't acceptable for various reasons. Cashplus accepted there was a delay of around eight working days between receiving the final documents and processing them to provide full account access and offered £50 for the inconvenience caused.

Mr P referred B's complaint to this service and it was passed to an investigator. They thought Cashplus had reasonably asked Mr P to provide various documents to complete the transfer of key account holder. The investigator thought the decision to reject documents that were incomplete or unclear was reasonable and that the offer of £50 was fair.

On B's behalf, Mr P asked to appeal and said Cashplus should've contacted him when the previous director advised he was leaving the business. Mr P recently added that Cashplus had failed to complete the necessary due diligence checks when opening the business account as it didn't have his information. In addition, Mr P sent us details of the losses he says B has suffered and asked compensation for the inconvenience caused. As Mr P asked to appeal B's complaint it's been passed to me to make a 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I've listened to Mr P's call with the investigator following their view of B's complaint. And I understand that Mr P feels Cashplus has been negligent in terms of how its handled B's account since the previous director notified it they were stepping down. But Cashplus has provided contact evidence that shows the previous primary account holder and director contacted it in the summer of 2021 to discuss arrangements for adding Mr P to the account. Cashplus' notes show the original primary account holder raised a complaint and it gave instructions on how to add Mr P, but no follow up action was taken. In my view, this shows the directors of B were aware in 2021 that Mr P wasn't party to the business account. And I'm satisfied instructions on how to add him were given at that time. Overall, I'm satisfied that the directors of B were aware that Mr P wasn't party to the business account going back to 2021 and had been given details of how to add him. It was then up to the directors to add Mr P as required.

In response to the investigator, Mr P says Cashplus failed to complete reasonable due diligence when the account was opened. But there's no requirement for every director of a business to be party to a business account. And I'm satisfied Cashplus will've completed the relevant check when opening B's account and adding the original primary account holder. I haven't seen any evidence that suggests Cashplus failed to complete necessary checks when opening B's account in 2021.

I can see that the previous director contacted Cashplus around two weeks before he resigned from B. Cashplus confirmed it would need a letter on company headed paper along with identity and address documents from Mr P before he could be added to the account. Whilst Cashplus received a letter from the resigning director, it didn't immediately receive usable documents from Mr P.

I understand Mr P may feel he complied at an early stage. I've looked at the documents provided and can see the quality of the copies was unclear in some cases. In addition, Cashplus needed readable copies of both the front and back of Mr P's driver's licence as well as copies of address verification documents that were posted to him, not issued online. I can see it took some time for the documents to be provided in full. But I'm satisfied Cashplus reasonably requested documents it needed to complete the switch of primary account holders. I haven't seen anything that shows Cashplus unnecessarily requested documents from Mr P.

Cashplus received Mr P's final set of documents on 17 May 2023 and says there was a short delay before they were processed and the amendments made. I agree it would've been better if the documents were processed quicker. But I haven't been persuaded that the time taken to process the documents and make account changes from this point was unreasonable overall. I appreciate Mr P feels the offer of £50 is too low. But I haven't seen evidence that shows other unreasonable delays or poor service. In my view, the offer is fair.

In response to the investigator, Mr P explained he felt Cashplus had been negligent when dealing with B's account changes. I can understand why Mr P feels this way, but I haven't seen obvious signs of mistakes or unreasonable delays.

Mr P's told us that on 30 May 2023 he took the step of emailing his clients to say B was being shut down as a result of being unable to access funds. Mr P doesn't appear to have sent us a copy of the email itself. And I note that B remains open and active on Companies House. I also think it's fair to add that whilst Mr P didn't have access, the account itself remained open and operational for credits and automated payments. I note Mr P's comments about the restrictions he felt were imposed by being unable to access funds. But I think that reflects the delay in Cashplus receiving documents it was able to use and situation whereby the previous director resigned before he could be applied to the bank account as the new primary account holder.

I'd like to assure Mr P I've read and considered everything he's told us about the nature of losses he feels B suffered. But for the reasons I've given above, I haven't been persuaded to award compensation on that basis.

I agree there were some service issues and delays but overall, I'm satisfied Cashplus has explained why it took several weeks to amend B's primary account holder. And I'm satisfied that £50 fairly reflects the inconvenience caused to B. As I'm satisfied Cashplus complied with Mr P's request to add him as B's primary account holder once it had the necessary information on file, I haven't been persuaded to increase the award further or tell Cashplus to take any further action.

I've read and considered everything provided by both B and Cashplus. Having done so, I'm satisfied Cashplus has already agreed a settlement that is fair and reasonable in all the circumstances.

My final decision

My decision is that Advanced Payment Solutions Limited trading as Cashplus has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 17 October 2023.

Marco Manente
Ombudsman