

The complaint

Mr D complains about Tymit Ltd unfairly closing his credit card account without explanation.

What happened

Mr D held a Tymit credit card and, in April 2023, Tymit advised him that they had made a decision to suspend and then close his account. Tymit said their decision followed an internal review in line with their commitment to being a responsible lender.

Mr D says he was shocked by this decision as he had never missed a payment.

Tymit said their decision was final and explained that they were unable to provide Mr D with the exact reason for the closure or details of their lending policy. They added that they regularly review information provided by a Credit Reference Agency (CRA) together with account management information.

Mr D complained to our service as he wants Tymit to explain their action and re-open his account. Mr D says he is retired and in poor health and he feels Tymit's closure decision has caused him considerable stress. Also, it has curtailed his holiday plans.

Mr D believes Tymit's decision is unfair and a breach of contract as they didn't give the required two-month notice period. Also, he doesn't understand what has changed since Tymit's original lending decision and has highlighted credit limit increase offers he received from other lenders at the same time as Tymit's closure decision.

Our investigator couldn't see that Tymit had done anything wrong.

As Mr D remains dissatisfied this case has now been referred to me to look at.

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'm not upholding this complaint. I appreciate this will be very disappointing for Mr D and I'll explain how I've come to this decision.

I should point out that our service isn't the regulator of banks' policies and procedures, and banks are entitled to make commercial decisions.

A bank is entitled to close an account with a customer just as a customer may close an account with a bank. However, when doing so, it must comply with the terms and conditions of the account.

So, I looked closely at the Credit Terms and Conditions that Mr D agreed to. As pointed out by Mr D the following, in 'Condition 10 - CLOSING YOUR ACCOUNT', does support a two-month notice period:

'We may close your Account by providing at least two months' written notice without any explanation'.

However, the same section subsequently refers to suspension action and says:

'We may cancel or suspend your use of your Account in accordance with Condition 16'

And in 'Section 16 - OUR RIGHT TO LIMIT THE USE OF YOUR ACCOUNT' Tymit say they may:

'cancel or suspend your right to use your Card and Account at any time, either temporarily or permanently, where we have a good reason for doing so'.

So, I'm satisfied that condition 16, which follows condition 10, does apply here, and Tymit set out some examples of where they wouldn't give notice, such as:

- *'The security of your Card or Account has been compromised;*
- *Your Account has become a Dormant Account;*
- *There has been suspected or actual unauthorised or fraudulent use of your Card and the Account*
- *You will not repay us'*

Although I'm unable to share any information from Tymit's confidential and commercially sensitive internal review, from reviewing this, I'm satisfied that Tymit action is reasonable, and they haven't breached the accounts terms and conditions.

I can appreciate Mr D's frustration and annoyance here, as Tymit won't share the reason for their suspension and closure action. Also, Mr D's other banks may have a different risk appetite and lending policy and credit limit increase offers, often dependent on CRA checks, are not guaranteed.

I also understand Mr D questioning Tymit's original lending decision, however I haven't seen anything here to connect Tymit decision here with their original lending decision. Tymit's suspension and closure decision was based on a subsequent review and, although they're unable to share this with Mr D because of the commercial sensitivity, I'm satisfied their decision is fair and reasonable.

Whilst I appreciate Mr D's frustration at the lack of a detailed explanation, Tymit doesn't have to give a reason for closing his account. So, I can't say Tymit have done anything wrong by not giving Mr D information about their review. And Mr D may wish to make enquiries with CRA's.

So, having considered all of the above, I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 December 2023.

Paul Douglas
Ombudsman