

The complaint

Mr M has complained that PSI-Pay Ltd closed his account unfairly. He feels he was treated in a discriminatory way due to his race and disability.

What happened

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my 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's findings for broadly the same reasons. I will explain why. I'm aware that I've summarised this complaint very briefly, in far less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here: did PSI act unfairly and unreasonably when it closed Mr M's account.

The starting point for me to consider is the terms and conditions of the account. Having done so, I can see that under section 9.e it says:

"At our sole discretion, we may terminate this Agreement with at least 2 months' notice"

As such, PSI is entitled to close an account if it wishes to do so, without providing an explanation as long as it gives two months' notice. PSI notified Mr M of its intention to close the account on 30 March 2023. As such the account was due to close on 29 May 2023. However, due to Mr M's circumstances, I can see that PSI extended this by an extra month and actually gave Mr M three months' notice. As such, the account was closed on 29 June 2023. Therefore, I am satisfied PSI acted in accordance with its terms and conditions and provided Mr M with extra time due to his circumstances. I can also see that PSI also said it was happy to provide Mr M with further information about alternative bank accounts which he could apply for.

However, Mr M says that he feels PSI took the decision to close his account due to his race and disability. This service is unable to make a finding on whether something constitutes discrimination as per the Equality Act 2010. This is because we are an informal, free alternative to the courts and only a court of law can make a legal finding based on the definitions set out within that Act. I know Mr M will be frustrated by this. However, I can consider if PSI treated Mr M fairly.

As I have explained above, PSI doesn't need to provide a reason for why it chose to close Mr M's account, as long as it provides him with two months' notice. That said, PSI did say it felt that the account and its limitations no longer met Mr M's needs. And given that Mr M has made several complaints regarding PSI's processes and procedures, I think it is a reasonable conclusion to reach.

Having reviewed the file, I can see that PSI have acted on some of Mr M's complaints and made changes to its processes, in some cases it has made reasonable adjustments, but has also explained that some changes Mr M has requested it can't amend. And I don't think it's unreasonable. I say this because The Equality Act says that businesses have a duty to make reasonable adjustments for customers who are placed at a substantial disadvantage due to their disability. However, in law, PSI is only required to make adjustments which are reasonable, and ones that don't fundamentally alter the nature of its service. That's relevant law and I've taken it into account when reaching my decision.

As some of the request Mr M made couldn't be actioned, PSI felt it was no longer meeting his needs and decided to close the account in line with the terms and conditions. As such, I can't conclude PSI acted unfairly or unreasonably when it took the decision to close Mr M's account. It follows, that I won't be asking PSI to do anything further.

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 M to accept or reject my decision before 14 January 2024.

Jade Rowe
Ombudsman