

## **The complaint**

Mr B complains that SumUp Payments Limited unfairly closed his account and didn't tell him why it no longer wants him as a customer. He is also unhappy that SumUp returned his closing balance to an account that he didn't nominate. He wants compensation for the trouble and upset he suffered.

## **What happened**

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr B had an account with SumUp. In November 2022, following a review of how Mr B was operating his account, SumUp decided to close Mr B's account immediately. At the time the account was closed, the account balance was £200.

Mr B asked SumUp to pay his closing balance into an account he had with another bank, which I will refer to as C. However, due to an error SumUp paid this into a different account Mr B had with another bank, which I will refer to as bank D.

Mr B complained to SumUp about closing his account. He asked SumUp why they had closed his account without notice and said that he hadn't received his closing balance into his nominated bank account. In response, SumUp said it had closed Mr B's account in line with the account terms and conditions and didn't have to provide him with the reasons it no longer wanted him as a customer. SumUp also said that it had returned Mr B's balance back to him in December 2022.

Unhappy with this response, Mr B brought his complaint to our service where one of our investigators looked into it. The investigator didn't uphold Mr B's complaint and said that SumUp hadn't done anything wrong when it had closed Mr B's account. Mr B disagreed, he said SumUp shouldn't have closed his account without notice. He also said that he was still waiting to receive his account balance.

The investigator asked SumUp to confirm what had happened to Mr B's closing balance. It checked and said that due to an error it had returned Mr B's balance to an account that he had last used instead of the account which Mr B had wanted. SumUp apologised for any trouble and upset this may have caused Mr B. The investigator let Mr B know that his funds had been returned to the account he held with bank D, instead of the one he had with bank C. Mr B wasn't happy with this and explained that his account with bank D had been restricted and was being reviewed. So, he couldn't access his £200. He also said that he suspects that SumUp sending his closing balance to bank D resulted in his account being blocked. So, he said SumUp should pay him compensation for the trouble and upset he'd been caused.

The investigator looked at everything again. Based on all the evidence, she said SumUp hadn't treated Mr B unfairly when it had closed his account and had done so in line with the terms and conditions of the account. She also said that she hadn't seen anything to suggest that SumUp returning Mr B's closing balance to bank D was the reason that account had

been restricted and viewed. She didn't think SumUp needed to do anything more to put things right, as Mr B had received his money back albeit into a different account.

Mr B disagreed. He wants to know why SumUp closed his account. He maintains that he believes SumUp paying his closing balance into his account with bank D is partially responsible for his account being restricted and reviewed. So, he wants SumUp to put things right.

As no agreement could be reached the matter has come to me to decide.

### **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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information SumUp has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr B, but I'd like to reassure him that I have considered everything.

I'll start by setting out some context for SumUp's actions. As the investigator has explained, SumUp are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. They're also required to carry out ongoing monitoring of new and existing relationships, which is common industry practice, and is what happened here.

SumUp isn't obliged to reveal the reason(s) for reviewing Mr B's account. But I've considered the basis for the review, which I find was legitimate and in line with its legal and regulatory obligations. So, I can't say SumUp have done anything wrong.

I've next gone on to consider whether SumUp acted fairly when it closed Mr B's account. In doing so, I've looked at the terms and conditions of the account. The terms and conditions outline that SumUp can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. In this case SumUp closed Mr B's account without notice. For SumUp to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that SumUp did. And that it was entitled to close the account as it's already done.

I understand of course why Mr B wants to know the exact reasons behind SumUp's decision to close his account. And I can see that Mr B asked SumUp to explain itself on several occasions. But SumUp doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr B the reasons why it closed his account, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr B this information. And it wouldn't be appropriate for me to require it to do so.

Finally, when SumUp closed Mr B's account it asked him to provide it with details of an account so that it could return his closing balance to him. Mr B sent SumUp an email in November 2022, providing details of an account he had with bank C. However, due to a human error SumUp returned Mr B's balance to a different bank account Mr B had with bank D. Mr B says he wasn't able to access the money as the account at the time was restricted and being reviewed by bank D. And he suspects it was this payment which led to the

account being reviewed. So, he says he's been inconvenienced by SumUp's mistake and wants compensation.

I've considered the impact of SumUp paying Mr B's closing balance to the wrong account. Firstly, I've not seen any evidence that this led to Mr B's account with bank D being restricted and reviewed. I also can't hold SumUp responsible for the actions of another bank. SumUp has accepted it made a mistake and it has apologised. I think this is a reasonable way to resolve this aspect of Mr B's complaint, so I won't be asking SumUp to do anything more. In reaching this conclusion I've kept in mind that Mr B funds were returned to him.

In summary, I appreciate it must have been inconvenient and upsetting for Mr B when SumUp closed his account and returned his closing balance to a different account. So, I realise he will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I'm satisfied that SumUp have done enough to put things right and I won't be asking them to do anything more to resolve Mr B's complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 February 2024.

Sharon Kerrison  
**Ombudsman**