

## **The complaint**

A company I'll call P complains that Cynergy Bank Limited (Cynergy) blocked its accounts, meaning P couldn't make payments or deposits.

P is represented by its director, Mr P.

## **What happened**

Mr P told our service that Cynergy blocked P's 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 P two months' notice of its intention to close P's accounts, and that it released P's account balance, but retained the balance in his personal account. Because P is a separate legal entity to Mr P, I'll only address P's complaint in this decision, and I'll issue a separate decision in connection with Mr P's personal accounts.

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

Mr P remained unhappy, so he brought P's complaint to our service. Our investigator didn't uphold P's complaint. She said Cynergy had acted in line with its internal processes and the terms of P's account, 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 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 P's accounts. And that it was entitled to do so under the account terms and conditions that governed the relationship between Cynergy and 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 P's complaint. But, under the terms and conditions of the account, Cynergy doesn't have to give a reason for doing so. So, I can't say it did anything wrong by not giving P this information when it complained. And, having investigated Cynergy's rationale myself, I'm satisfied it was entitled to block the account and

complete the investigation in the manner it did. And I've seen no evidence to suggest it treated 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 P's account – with which both Cynergy and P had to comply – say that Cynergy could close the account by giving 2 months' notice.

While I can't disclose the reasons for Cynergy's decision to 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 P's account.

I recognise that P's account remained blocked during the notice period, but for the reasons I've set out above, I'm satisfied Cynergy was entitled to block the account and keep it blocked during the notice period. And I can see that the account balance was released to P, so it has access to its funds.

While I don't doubt Cynergy's actions caused P problems and disrupted its commercial activities, I won't ask it to compensate P because I don't consider it did anything it wasn't entitled to do, or treated P unfairly, considering all of the circumstances of this complaint.

#### **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 P to accept or reject my decision before 6 September 2023.

Alex Brooke-Smith  
**Ombudsman**