

The complaint

Mr H complains that CB Payments Ltd trading as Coinbase hasn't given him access to money it's holding for him.

What happened

Mr H contacted Coinbase in June 2023 to update his phone number but after he had some issues with this – he then asked Coinbase to return the money it held for him. Coinbase explained that he would need follow certain steps including providing photographs of the front and back of a relevant form of identification, a selfie picture and setting up a temporary account.

Mr H believed he'd done what Coinbase asked, so contacted it again. Coinbase explained that he hadn't provided the correct identification and, while he had set up a temporary account, he had also added funds to this and would need to remove this before his original request could be completed. He then still needed to provide identification in the way Coinbase needed. By this point, Mr H was frustrated with the process and after lots of communication back and forth with Coinbase, he complained and then referred his complaint to our service.

One of our investigators looked into it. They noted Mr H's understandable frustration with some of the communication from Coinbase, but felt that it was trying to help and support Mr H in accessing his account. Some of those steps had been complicated by Mr H not following them in the way Coinbase needed, such as by not providing identification in the way it needed and by depositing funds into a temporary account. Ultimately they felt that Coinbase's requests were reasonable and that its position to not give Mr H access to his funds until he complied with its requests was a fair one.

Mr H disagreed with this and our investigator provided some further clarification around why they reached the outcome they had. Ultimately Mr H remained unhappy with what was said – so the complaint has been passed 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 can see how frustrated Mr H is with the situation here. He's clearly put a lot of time and effort into trying to get access to his account. That will have been made frustrating when he received what look like a number of duplicate responses explaining what he needed to do - despite telling Coinbase about the problems he was facing. Those responses look like standard responses for customers who need to access their accounts – but Mr H's position was that he thought he'd tried those steps and needed more help from Coinbase.

But even if Coinbase could have been clearer with some of its communications on occasion, I'm satisfied that it has ultimately been consistent about what it needs and in what form. Coinbase is entitled to have processes and policies like this to ensure that it's acting with

due diligence in identifying its customers. Here Coinbase was following those policies and procedures.

I realise that Mr H feels very strongly that he has provided the information that Coinbase needs on several occasions and doesn't see why he needs to do any more. But the evidence I've seen doesn't show this – instead, it supports that the information Mr H provided didn't meet Coinbase's criteria. Coinbase has explained that it needs to see the front and back of Mr H's relevant form of identification along with a selfie picture. I can't see that's been provided from the evidence we have.

Mr H has told us that Coinbase has confirmed that it received, verified and accepted the information he provided to identify himself. I haven't seen anything to support that though. I've seen that Coinbase told Mr H that the uploads of his identification documents were successful – but that's not the same as confirming that Coinbase has verified and accepted this.

Another complicating factor here was when Coinbase asked Mr H to open a temporary account, he added funds to this – which went against the guidance that Coinbase gave him when it contacted him about taking this step.

With the above in mind – it's difficult for me to say that Coinbase has acted unfairly here, even if the communication it provided could have been better. I think it's entitled to have not given Mr H access to his account up to this point. Both Coinbase and our investigator have explained what Mr H needs to do to resolve the situation and I can only urge him to follow those steps now to see if he can resolve this issue.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 April 2024.

James Staples
Ombudsman