

The complaint

Mrs K is unhappy with Paysafe Financial Services Limited (trading as Neteller) decision to close her account and retain funds her funds.

What happened

Mrs K opened an account with Neteller in 2023 and made deposits into it. Mrs K has said she used the account to send and receive funds from a gambling website.

In July 2023, Neteller decided to review how Mrs K was operating her account. Following its review Neteller decided to close Mrs K's account immediately.

When it closed the account Neteller asked Mrs K to provide a selfie photograph holding an identification document and certified bank statements as part of its security verification process, so that it could return Mrs K's account balance to her. The documents Mrs K sent to Neteller failed that verification check. So, Neteller didn't release Mrs K's balance.

Mrs K wasn't happy about this. And submitted more documentation in an attempt to get Neteller to release the funds in her account. Neteller reviewed all the paperwork Mrs K sent to them and said it still didn't satisfy its checks, so it maintained its position. And said it wasn't willing to release the funds to Mrs K.

Mrs K wasn't happy about this and said that the money belonged to her and would make a big difference to her family. So, she complained to Neteller. In response, Neteller said it hadn't done anything wrong.

Mrs K brought her complaint to our service where one of our investigators looked into what had happened. The investigator reviewed all the evidence and said that Neteller hadn't done anything wrong when it had closed Mrs K's account and retained the funds.

Mrs K disagreed. She said she has submitted various documents including a number of bank statements from her bank account and identification documents. She maintained that the money belongs to her and that she needs the money to support her family. She wants to know what's wrong with the documents she has provided to Neteller, and the money in the account released back to her.

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 and financial businesses as confidential for a number of reasons – for

example, if it contains security information, or commercially sensitive information. Some of the information Neteller 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 Mrs K, but I'd like to reassure her that I have considered everything.

I'll deal first with Neteller's decision to review Mrs K's account. Neteller have important legal and regulatory obligations they must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

Having looked at all the evidence, I'm satisfied that Neteller acted in accordance with these obligations when it reviewed Mrs K's account. It was also entitled to do so under the account terms and conditions. So, I can't say Neteller treated Mrs K unfairly when it decided to review her account. The end result of the review was that Neteller decided they didn't want to provide account facilities to Mrs K anymore and issued the notice to close in July 2023.

I've next gone on to consider whether Neteller acted fairly when it closed Mrs K's account. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep customer or require it to compensate a customer who has had their account closed.

Neteller have relied on the terms and conditions of Mrs K's account in closing her account. Having looked at these terms and all the evidence, which includes the documents Mrs K provided, I'm satisfied that Neteller had sufficient grounds to close Mrs K's account immediately. And did so in line with the terms and conditions of the account. So, I can't say Neteller treated Mrs K unfairly when it decided it no longer wanted her as a customer and closed her account.

The crux of Mrs K's complaint is that she wants the money in her account, which is around 20,000 INR returned to her. Mrs K has said that this is money she has earned through gambling. It seems Neteller was willing to release the money to Mrs K if she was able to complete its verification process, which I don't find unreasonable. This is a legitimate process which Neteller completes in order to adhere to its legal and regulatory obligations.

I can see that Neteller has clearly explained this to Mrs K on more than one occasion and told her what she needed to provide – identification documents and certified bank statements. I've seen copies of the various documents Mrs K has submitted to Neteller in an attempt to get the funds released. So, I'm satisfied that Mrs K understands what she needed to do in order to satisfy Neteller's request.

I appreciate Mrs K has supplied a number of documents to Neteller on at least two occasions. But Neteller has confirmed that the documents provided by Mrs K to date aren't acceptable. Having looked at the documents and the information provided by Neteller; I don't think that is unreasonable. So, it's up to Mrs K to now provide the information necessary in order to satisfy Neteller's requirements and be sent the funds. This means I won't be directing Neteller to release the money to Mrs K, that's because based on the evidence I've seen, Mrs K hasn't been able to pass Neteller's verification checks.

In summary, I recognise how strongly Mrs K feels about her complaint, so I realise she will be disappointed by my decision. But overall, based on the evidence I've seen and circumstances of this case, I can't say Neteller have acted unreasonably or treated Mrs K unfairly in taking the actions it did. So, I won't be asking Neteller to release the funds held in Mrs K's account.

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 Mrs K to accept or reject my decision before 15 July 2024.

Sharon Kerrison
Ombudsman