



Case study: Banking/Investment account

BLOCKED ACCOUNT FOR MISSING PERSONAL INFORMATION

Themes: KYC, regulatory requirement to maintain valid customer information, blocked account, reasonable accommodation, vulnerable customer, mediated resolution

This complaint relates to an investment account held by the complainant with a bank. The complainant had put her name along with her husband's name on the account after her aunt had deceased. She had then put her sole name on the account. In 2015, the bank changed administrators which required a transfer of all customer information already held on file.

The complainant contacted the bank in 2017 to enquire about making a transfer of funds. After receipt of the request, the bank realised the complainant's personal information ("know your client" or KYC information) was out of date. Her passport had expired, and it did not contain proof of her current address. The bank therefore sent a first request to the customer asking for copies of documents showing this required information. The complainant responded, arguing that this information had already been provided previously when she changed the name of the account holder from her deceased aunt's name to those of her and her husband. This did not meet the bank's requirement.

As the requested KYC information was not provided, the bank blocked her account. The complainant complained and the bank did not uphold her complaint. The bank explained that it was a regulatory requirement for it to update the complainant's KYC information by obtaining the requested documents.

The complainant contacted CIFO. While CIFO recognised that the bank had to hold up-to-date information in order to meet its regulatory requirements, it appeared that in this case the complainant was vulnerable and unable to meet the bank's request.

The complainant had given proof of address using a utility bill but was left with an invalid passport and therefore invalid identity proof. The bank explained that what could be accepted as appropriate proof of identity would be a driving licence or current passport. The complainant explained to CIFO that she did not hold a driving licence as she no longer drove, and she did not renew her passport because she was in poor health and had no interest in travelling anymore. Her poor health also made it difficult for her to go through the process to obtain photos and complete the required paperwork to renew her passport.

CIFO then considered multiple options. CIFO first offered to the bank that they reconsider their response and offer the complainant £300 compensation, £200 for the distress and inconvenience and £100 for the cost of obtaining a new passport that she did not need for her own purposes. However, after a few conversations with the bank, it was agreed that the bank would make an exception in this case and the expired passport would be accepted as valid proof of identity.

The complainant's account was unblocked and she accepted the bank's offer of £200 for the stress and inconvenience caused.