



Observatoire ARGA

INTERNATIONAL ANALYTICAL REPORT

D-12. Financial Exclusion and Over-Compliance

Affecting Non-Listed Persons

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Executive summary

The absence of a person's name from a sanctions list does not guarantee access to banking services. Restrictions may arise from a company's ownership structure, the parties to a particular transfer, source-of-funds requirements, mistaken identity or a bank's decision to end the relationship. The distinction between these grounds is essential: a mandatory asset freeze, a temporary transaction review and a commercial refusal require different evidence and different remedies.

An allegation of excessive restriction should identify a specific defect in the decision. A bank may have applied the wrong rule, confused a customer with a listed person, overlooked an exception, failed to consider documents or extended a problem affecting one payment to all services without sufficient justification. The statement that a customer is not sanctioned is a useful starting point, but rarely resolves the dispute by itself.

This report examines financial exclusion primarily in a European context, with particular attention to France and comparisons with the United Kingdom and the United States. Its practical purpose is to connect the restriction encountered with the appropriate recipient of a complaint, the necessary evidence and an achievable outcome. It addresses basic payment accounts, the French *droit au compte* procedure, politically exposed persons, commercial screening data and cross-border payments.

Observatoire ARGAs central conclusion is that individual assessment must be capable of meaningful review. This does not displace sanctions prohibitions or anti-money laundering duties. It prevents nationality, a press report or an automated alert from becoming an irreversible barrier to financial life without proper examination. Effective protection combines resolution of the identified risk, a request for reconsideration and preservation of lawful access to essential services. Litigation, data correction and access to a basic account may address different parts of the same problem. They should therefore be coordinated rather than treated as interchangeable remedies.

1. Establishing what the bank has restricted

The first step in a banking dispute is to describe the restriction accurately. A customer saying that an account is blocked may mean that the banking application cannot be accessed, that one transfer is awaiting review, that outgoing transactions are suspended or that notice of closure has been issued. These situations have different consequences and potentially different legal foundations. An error at this stage can direct the complaint to a body unable to provide the remedy required.

The status of the account, each disputed payment and the remaining balance should be established separately. Where a transfer has not arrived, the relevant questions include whether the sender has been debited, whether an intermediary received the funds and whether a return has occurred. Where the relationship is ending, the closure date and the functions available before that date matter. An account that accepts incoming funds while preventing withdrawals presents a different problem from refusal to open an additional account for someone who already has a functioning account elsewhere.

A legal asset freeze restricts dealing with property under an applicable regime. Commercial termination does not, by itself, turn an otherwise unrestricted balance into frozen assets. However, the ability to transfer that balance still depends on the absence of other legal restrictions and the

permissibility of the proposed recipient. A request concerning the funds should therefore be made separately, even where the customer is also challenging the closure decision.

A useful initial record fits on one page: the institution and its legal entity; the product; the first restriction date; functions that remain available; functions that have stopped; the amount affected; the latest communications; and the next essential payment. This event record enables the adviser and the compliance team to discuss the same problem. It also reduces the risk of a bank answering a question about account opening when the complaint actually concerns a retained transfer.

The customer's description should distinguish confirmed facts from assumptions. An error message proves that an attempted operation failed, but may not establish why. A telephone conversation should be recorded in a dated note and, where possible, followed by a written request for confirmation. These simple distinctions improve the reliability of the case before any legal argument is advanced.

2. Five grounds and different remedies

A practical classification must distinguish sanctions from anti-money laundering and counter-terrorist financing obligations, referred to here as AML/CFT. Sanctions analysis asks whether an applicable measure prohibits a particular act. AML/CFT analysis examines the customer, the purpose of the relationship and the institution's ability to perform required checks. Commercial policy determines which lawful relationships the institution is willing to service within contractual and public-law constraints.

Ground	What must be established	Main focus of the request
Mandatory asset freeze	Applicable measure, person or property interest, scope	Misapplication, exception, authorisation or judicial remedy
Prohibition of one transaction	Parties, product, territory, currency and purpose	Permissibility of the transaction and treatment of the funds
AML/CFT review	Facts or documents that remain unverified	Closing the evidential gap and reviewing restrictions
Mistaken identity	Name similarity and distinguishing identifiers	Correcting the profile and repeating the assessment
Contractual termination	Account terms, notice and special protections	Proper procedure, access to the balance and proven loss

This classification is an analytical tool, not an exhaustive statement of the law in every jurisdiction. Several grounds may coexist. A bank may be unable to establish the source of funds while an intermediary identifies a prohibited party to the transfer. Resolving the first obstacle does not remove the second.

Directive (EU) 2015/849 provides consequences where essential customer due diligence requirements cannot be met, including refusal to establish and termination of a relationship. The absence of a criminal conviction therefore does not remove duties that are preventive in nature. A

reference to AML/CFT should nevertheless relate to a genuine due diligence problem, rather than automatically replacing examination of an inconvenient customer. [1]

Each ground should be paired with a separate requested outcome. A false match calls for correction; an incomplete file calls for identification of the missing information; a binding prohibition requires examination of the exceptions or authorisation routes provided by law. An undifferentiated request to remove all restrictions makes a generic response easier.

The classification also helps identify when the requested remedy is impossible for the recipient. A complaints department can reconsider its institution's assessment, but cannot repeal legislation. A sanctions authority may be able to consider an authorisation, but cannot necessarily require a commercial bank to offer a particular product. The legal basis and the decision-maker must therefore be identified together.

3. Individual assessment and manageable risk

A risk-based approach does not demand proof that no future misuse is conceivable. It connects the identified risk with the customer, product and controls available. FATF's 2025 guidance links financial inclusion to an effective and proportionate AML/CFT system. Financial exclusion does not itself make a person inherently high risk. [2]

The EBA's Guidelines EBA/GL/2023/04 address risk management when providing access to financial services. In France, the ACPR announced their application from 3 November 2023. They support consideration of risk management options before withdrawing access; they do not establish an unconditional obligation to service every customer or transaction. [3; 4]

In an individual dispute, a proposed alternative should be capable of verification. If unpredictable international receipts are the concern, the customer can explain expected payments and the documents supporting them. If turnover is the issue, the relevant commercial contracts should be presented. If a complex ownership structure is unclear, a comprehensible ownership chart supported by primary documents is more useful than repeated assurances that the business is lawful.

A restricted service is not always sufficient. A lower transaction limit cannot cure an inability to establish identity, and manual approval cannot authorise an act prohibited by sanctions. The submission should explain causation: which uncertainty would the proposed document or control remove? Without that explanation, an offered compromise remains a preference rather than an operational solution.

Individual assessment also requires attention to changed circumstances. Leaving public office, correcting a register, obtaining a residence permit or completing an investigation may alter the factual foundation of an earlier decision. Yet a change alone does not establish that the bank received or considered the information. New evidence should therefore be dated, sourced and linked to an express request to review the restrictions previously imposed.

A useful proposed arrangement should also explain its practical limits. If the customer offers advance notification of exceptional payments, the proposal should identify the types of payment covered and the supporting information available. It should not imply that routine payments would escape screening. Precision makes it possible for the bank to assess whether the proposal addresses its concern and whether it can be administered consistently.

4. Why financial exclusion persists

For a bank, refusal can cost less than a complex review. Additional documents require staff time, translation, legal analysis and technical support. A low-value account that generates substantial compliance expense may be commercially unattractive even where its transactions are lawful. The US Treasury's 2023 de-risking strategy identified profitability and compliance costs among the drivers of withdrawal from customer categories. The strategy is a policy document, not an independent right to demand an account. [5]

The customer's economic position is different. Losing an account can prevent receipt of wages, payment of rent and taxes, performance of contracts and the production of a clear record for later funds. A cycle can develop: the absence of banking history makes onboarding harder, while a previous refusal is treated as a further warning by the next institution. The refusal may nevertheless reveal nothing about unlawful conduct.

People whose documents are difficult to obtain in a bank's preferred form are particularly exposed. Forced displacement, closure of a former institution or destruction of records may be responsible. Insistence on a document that is demonstrably unavailable can turn an apparently open review into an effective final refusal. The practical response is to explain the document's unavailability and offer independent alternatives, rather than create a substitute that falsely appears official.

For supervisory purposes, a gap between stated policy and the actual process matters. An institution may promise individual assessment while having no employee authorised to consider non-standard documentation. The defect then concerns more than demanding requirements: there is no functioning process for an exceptional case. A record of repeated requests and responses can reveal this organisational failure.

A customer's inability to complete a standard online form should also be distinguished from unwillingness to cooperate. The form may require a domestic identification number the customer cannot possess, or an address format inappropriate to the relevant country. Recording the attempted submission, the validation error and the request for an alternative channel helps establish that the obstacle lies in the process. It does not prove entitlement to an account, but it prevents a technical failure from being inaccurately described as non-response.

5. Jurisdiction and the limits of list screening

Searching one public list for the customer's name does not complete sanctions analysis. The applicable regime, the status of the company and its owners, other transaction participants, territory and service type may matter. Report D-11 examines ownership and control in detail. Here, their significance is that an unlisted legal entity may still fall within restrictions.

Jurisdictional analysis should begin with the contract. An international brand does not identify the legal entity that opened the account or the law governing the relationship. A branch, a subsidiary and a separate payment institution may hold different authorisations and have different supervisors. The customer's residence does not automatically determine the law applicable throughout a payment chain.

The practical map should identify the sending bank, known intermediaries and the receiving bank. Each may examine different aspects and be subject to its own obligations. A European bank's explanation that an American intermediary requires additional checks differs from an assertion that European law itself prohibits the customer relationship. The first calls for clarification of the intermediary's role; the second calls for identification of the legal provision relied upon.

An institution's voluntary use of broader internal criteria does not necessarily make its decision unlawful. The assessment must nevertheless consider the contract, special access protections, non-discrimination requirements and procedural duties. The customer can ask for the disclosable category of the ground: a binding prohibition, incomplete due diligence or product policy. This does not demand protected information, but helps prevent incompatible explanations from being merged.

The date of the relevant event should remain visible. A payment may have been lawful when instructed but encounter a change before execution. Conversely, an old restriction may no longer provide the same explanation for a current refusal. A dated legal analysis avoids treating a historical screening result as a permanent description of the customer's status.

6. Nationality, residence and deposit restrictions

Nationality, place of birth, tax residence and ordinary residence are distinct legal and factual characteristics. Confusion is particularly consequential when applying restrictions affecting persons connected with Russia. A Russian passport does not establish individual designation, although some sectoral rules use nationality or residence as a separate criterion.

European Commission guidance on Article 5b of Regulation 833/2014 explains restrictions on accepting deposits above EUR 100,000 per person per credit institution for the categories concerned. It also explains exceptions for EU, EEA and Swiss nationals and holders of temporary or permanent residence permits in the relevant countries. These rules should not be converted into a general prohibition of all accounts or confused with an individual asset freeze. [6]

The practical dispute may concern the status of a document rather than the amount. The bank may hold an expired copy of a residence permit that has been renewed. The customer should provide the current document and explain its legal effect, particularly where a separate certificate evidences renewal. For an unfamiliar national document, an official explanation of its validity can help. The submission should not assume that every immigration receipt automatically constitutes the residence permit required by the sanctions provision.

Consider a person expecting substantial sale proceeds from property. The file should separately establish eligibility for the relevant exception, the source of the proceeds and the absence of other prohibitions in the payment chain. Permissibility under Article 5b does not replace verification of the sale, while the sale contract does not replace evidence of residence status. Both evidential components are needed.

A challenge is stronger when it identifies a concrete mismatch: an exception has been documented but ignored, or the restriction has been extended beyond its subject matter. A general allegation of discrimination that does not address an actually applicable prohibition leaves the bank's main objection unanswered.

The same discipline applies to household relationships. A spouse's nationality, residence or account does not automatically determine the other person's treatment. The relevant ownership of the money, account arrangements and applicable rule must be assessed on their own facts. Family circumstances should be explained accurately, without presenting them as a device for avoiding a restriction that otherwise applies.

7. Similar names and false matches

An automated name match is an alert requiring assessment, not proof of identity. Transliteration, abbreviations and differing name order can increase error. A shared address may reflect the use of the same registration provider by several companies. OFAC FAQ 5, updated on 9 September 2026, recommends examining additional identifiers and distinguishing OFAC lists from other government and internal databases. [7]

A false-match submission should use a comparison. One side records available information in the relevant entry; the other records verified customer details, including date and place of birth, nationality, document number, company registration number and former names. Material differences should be explained, not merely highlighted. Where the entry lacks information, the gap should be acknowledged rather than treated as proof of a difference that cannot be established.

For a company, its name and legal identity must be distinguished. Shared words do not establish shared ownership. Equally, different registration numbers do not exclude an ownership or control connection. The objection to mistaken identity and the evidence of an independent corporate structure should therefore be presented as separate questions.

Correction should produce a durable outcome. Clearance of one transfer does not guarantee that the next will avoid the same alert. The request can seek confirmation that the customer profile has been updated and that supporting material will be retained for subsequent checks within the applicable framework. This does not require the bank to disable screening permanently: entries, participants and restrictions can change.

Where the bank cannot disclose the complete external record, the customer can still offer a verified identity package and request escalation to a team able to compare it. The practical aim is to resolve identity, not to obtain every field in the screening system. A refusal to provide confidential system details should not be confused with refusal to consider the identifying evidence itself.

8. Adverse media and data quality

A commercial risk database may compress reports of an investigation, charge, acquittal and discontinuance into a short profile. This is convenient for screening but can distort the legal significance of events. Repeated publication creates a further problem: ten links may reproduce one original report rather than provide ten independent confirmations.

A response should separate four questions: whether the report concerns the customer; whether the event is described accurately; whether the procedural position is current; and how it relates to the service requested. Even an accurate historical report does not automatically explain the risk of a particular salary account. Conversely, the end of one proceeding may not resolve source-of-funds concerns based on other facts.

A correction request should identify the error. Instead of demanding removal of everything unfavourable, it should specify a wrong date, mistaken identity, omitted judgment or inaccurate description of an outcome. A decision accompanied by a clear explanation of its procedural effect is more useful than an extensive emotional rebuttal. Translation should preserve the differences between suspicion, charge, conviction and a final judgment.

The CNIL confirms the availability of access and rectification rights in relation to banking data. Their exercise does not imply unrestricted access to the entire internal compliance file, suspicious transaction reports or third-party information. [8; 1] A customer can therefore request correction of a specific factual error and reconsideration of risk without making review conditional on disclosure of every protected document.

Correction by the data supplier and reconsideration by the bank are separate actions. The bank may have retained the earlier profile or relied on additional sources. Evidence of the update should be sent directly to the institution, identifying the part of its previous reasoning that has changed.

Where a disputed report contains several claims, the response should not treat them as an indivisible whole. One allegation may be demonstrably incorrect, another unresolved and a third irrelevant to the service. A structured response preserves credibility by identifying the status of each claim. It also allows a reviewer to correct a material error without first accepting every aspect of the customer's wider account.

9. Politically exposed persons and connected individuals

Politically exposed person, or PEP, status concerns public functions and associated risks, rather than established guilt. It is not equivalent to sanctions designation. A family or business connection also requires accurate classification: the relevant function, period in office and relationship should be identified.

The UK's FCA guidance FG25/3, published in July 2025, states the expectation that a relationship should not be declined merely because the customer is a PEP, family member or known close associate. It requires proportionate assessment, with a lower starting risk assessment for domestic UK PEPs where additional risk factors are absent. This is a UK approach and should not be presented as an identical rule in every jurisdiction. [9]

A description of actual powers is useful. A job title does not always reveal access to public funds, procurement decisions or licensing powers. Where the person had no such responsibilities, an official description of the role can support that distinction. Where those powers existed, explaining the source of assets and relevant controls is more persuasive than denying an evident public function.

For a relative, independent income, non-involvement in disputed assets and the actual nature of the connection matter. Asking for those circumstances to be assessed does not challenge the legitimacy of enhanced due diligence. It asks that a family relationship should not replace examination of a particular receipt. Salary from an independent employer and a transfer from a company controlled by the office-holder require different explanations.

Leaving office should not be described as immediately ending every banking obligation. Previous powers, continuing connections and national rules concerning subsequent assessment may remain

relevant. The appropriate request concerns updating the profile: which circumstances continue to matter and how the changed position affects the extent of checks. This provides a basis for reducing excessive requests without promising automatic removal of the risk category.

10. Source of funds and source of wealth

Source of funds concerns the origin of the money used in a particular transaction. Source of wealth concerns how the customer's overall assets were accumulated. Evidence of current salary may explain an ordinary monthly transfer but not savings far exceeding several years of income. Equally, a general description of a successful business does not establish the origin of a particular payment from an unidentified intermediary.

A usable evidence chain connects the legal basis, economic event and movement of money. A property sale may require the contract, evidence of the seller's rights, settlement documentation and a statement recording receipt. Dividends may require the corporate resolution, the recipient's relationship with the company, information on distributable profits and the banking trail. Inheritance may require succession documents, identification of the inherited assets and subsequent sale evidence where sale proceeds are being transferred.

Discrepancies should be explained. The difference between a contract price and the amount received may reflect tax, fees, repayment of a loan or payment in instalments. Without an explanation, the bank sees a gap even where each individual document appears persuasive. A concise reconciliation should connect each material amount with a document and date.

A tax return evidences particular declared information but does not, by itself, prove the lawful origin of every source. Notarial certification also has a defined scope and may not verify the entire earlier financial history. Documents should not be credited with evidential force they do not possess. A strong file distinguishes what has been established, what is indirectly supported and what cannot be obtained.

If a requested document is unavailable, the reason should be explained and alternatives offered: archived statements, counterparty records, official confirmation that an institution has closed, a court decision or other independent evidence. Refusing all questions on principle usually weakens the position. Sending hundreds of unindexed pages can also obstruct review. A short explanatory memorandum, numbered exhibits and direct answers to the bank's questions are more effective.

The file should preserve the actual sequence of events. Where money has moved between the customer's own accounts, each relevant link should be shown rather than presenting only the final balance. Transfers between accounts explain custody, not the original economic source. The submission should therefore distinguish the event that generated the funds from the later route by which they reached the present institution.

11. Basic payment accounts under EU law

Directive 2014/92/EU provides access to payment accounts with basic features for consumers within its scope. Its personal coverage includes consumers legally resident in the Union, asylum seekers and certain people whose expulsion is impossible for legal or factual reasons. AML/CFT grounds for refusal remain applicable. Access to a basic account is not a right to credit, every investment product or a corporate account. [10]

The product must be identified correctly. If a person applied for a premium package with a credit facility, refusal does not necessarily determine entitlement to a basic account. A separate application should expressly identify the need to receive income and make ordinary payments, together with the relevant national mechanism implementing that right.

It is also necessary to establish whether another account exists and which services it provides. A formal account number that cannot actually be used requires explanation. If another account is closing, the closure notice becomes a material document. Existing relationships should not be concealed: inconsistent information can create an independent due diligence and credibility problem.

The protection of basic access is valuable because of its defined purpose. It does not require restoration of all previous services or dispense with international payment checks. An achievable outcome may therefore be an account offering essential functions while a separate dispute over commercial services continues. For a person unable to receive wages, that may have greater immediate value than a prolonged attempt to reverse every part of the earlier decision.

The distinction between entitlement to a product and permissibility of a transaction continues after opening. The institution must still check the customer and payments. Opening a basic account is not certification that all future receipts have passed sanctions and AML/CFT review.

12. The French droit au compte for individuals

The French droit au compte procedure allows an eligible applicant to ask the Banque de France to designate a bank. Official guidance covers, among others, people domiciled in France regardless of nationality, French nationals abroad and foreign nationals lawfully resident in another EU state. The absence of an individual account, or its impending closure, is material. Designation does not remove identity checks or other mandatory requirements. [11]

The first practical step is to obtain evidence of refusal. A conversation at a branch may leave no usable record. If a written application goes unanswered, proof of submission should be retained. The Banque de France describes the use of a fifteen-day absence of response as a refusal. The underlying request should genuinely seek account opening, rather than merely ask about fees. [12]

After a complete file has been submitted, a bank is designated and documents must then be provided to that institution. According to the Banque de France, designation takes place within twenty-four hours of receipt of a complete file, and the designation letter is valid for six months. Designation and actual opening must be distinguished: opening still requires engagement with the designated bank and submission of the necessary evidence. [11]

A covering letter can explain urgency briefly: an expected salary, benefit payment or rent obligation. This creates no exception to legal requirements, but clarifies the actual need and reduces the risk that the application is understood as a search for an additional convenient account. Personal circumstances should be documented only to the extent relevant to consideration of the request.

If the designated bank refuses, the precise ground must be established. A missing document, another existing account and misapplication of a sanctions rule are different problems. Correspondence with the first bank does not replace evidence of the designated institution's conduct. Requests, replies and proof of delivery should be retained, and the Banque de France informed of the specific problem encountered in implementing the designation.

13. Businesses, associations and professional accounts

A company's loss of payment access quickly affects employees, suppliers and tax obligations. Consumer protections cannot, however, be transferred automatically to legal entities. France has a practical *droit au compte professionnel* procedure. Its conditions, documentation and representation requirements must be checked against the applicant's legal form. The Banque de France identifies corporate documents and evidence of the representative's authority among the required material. [13]

The main purpose of a corporate file is to make the business verifiable. In addition to registration and ownership information, it should explain principal services, typical counterparties, transaction geography, expected turnover and the purpose of receipts. A business plan does not replace existing contracts, and a website does not establish actual trading. A new company should distinguish forecasts honestly from commitments already entered into.

An association or non-profit organisation requires a different evidential explanation. Its statutory purposes, management of funds, donation sources, programme budgets and expenditure controls matter. Charitable status does not remove the need to check recipients and transactions. At the same time, a general reference to operations in a difficult region does not explain why domestic administrative expenses cannot be serviced with separate controls over international transfers.

Corporate urgency needs particulars. A list stating wages, tax and rent should be supplemented by dates, amounts and consequences of delay. The file should also identify which payments are genuinely impossible and which can lawfully be made from other available funds. This supports an honest assessment of loss and a proportionate request for interim protection.

The problem should not be addressed through undisclosed use of a director's personal account or another organisation's account. Mixing funds makes transactions harder to explain and may create another dispute. If a different provider is considered, the company should first check whether the product permits corporate use, whether it supplies the necessary functions and what legal protection applies to the funds held.

14. Intermediaries and delayed transfers

In a cross-border payment, the customer's bank may not be the institution holding the funds. The first request should therefore concern transaction status and the payment identifier. The sender's statement, the receiving bank's response and available intermediary information should be compared. A statement that a payment was sent does not prove final credit; non-receipt does not establish a sanctions freeze.

A separate log should record each transfer: instruction date, amount, currency, purpose, party details, identifier, document requests and the latest confirmed status. If a return is reported, confirmation of the amount and any deductions should be obtained. Sending again before the first payment has been traced may leave two sums under review and complicate the loss calculation.

An intermediary's document package should address the particular transaction. Proof that the sender runs a lawful business is insufficient where the payment purpose does not match the contract. A correct invoice does not resolve uncertainty about the ultimate recipient. Names, registration numbers, amounts and service descriptions should be consistent. Corrections should be explained, with earlier versions preserved.

A different route does not make a prohibited transaction lawful. Where the obstacle is technical incompatibility or an intermediary's commercial policy, another lawful route can be considered only after checking the rules and transparently identifying the participants. Concealing the purpose, splitting amounts to evade controls or using another person's identity undermines the customer's legal position.

Requests to the customer's own bank should stay within its capacity: provide the available status, initiate a trace, transmit supporting information or clarify return procedures. A demand that it immediately release funds held by another institution may fail because it is directed to the wrong decision-maker, even where the customer's underlying interest is justified.

15. Case law and the limits of automatic decisions

Safe Interenvíos, C-235/14, 10 March 2016

The case concerned a payment institution's banking relationships and AML/CFT due diligence. The Court of Justice examined earlier legislation, including Directive 2005/60. It connected enhanced measures with a concrete risk and proportionality. It did not establish immunity from the servicing bank's checks merely because the customer was itself a regulated payment institution. [14]

The practical value lies in the structure of the argument. A challenge cannot succeed simply by pointing to the customer's licence. It should explain why the information requested or the termination goes beyond the problem the bank seeks to resolve. Where information about the payment institution's own customers is requested, the extent of disclosure and less burdensome ways to demonstrate controls also require consideration. This is an analytical use of the approach, not a prediction that a contemporary dispute will have a particular outcome.

PrivatBank, C-78/21, 2 March 2023

The Court considered an administrative restriction on a bank's relationships with certain customers lacking links to Latvia and exceeding specified turnover levels. Such a measure could be compatible with the freedoms of services and capital where justified, suitable, necessary and not excessively harmful to protected interests. Those conditions require examination of the circumstances. [15]

The judgment should therefore not be cited as a prohibition of every geographical criterion. The more useful question is whether the restriction originates in the bank's own decision or a supervisory instruction. In the latter situation, challenging only the bank's letter may leave the binding measure untouched. Conversely, the existence of an instruction does not remove the need to examine its personal, substantive and temporal scope.

Jenec, C-81/24, 11 June 2026

In *LH v OTP banka*, refusal of a basic account was linked to the consumer's OFAC listing. Reading Article 16(4) of Directive 2014/92 with Directive 2015/849, the Court held that a foreign sanctions listing alone does not replace individual AML/CFT risk assessment. A justified refusal following such assessment remains possible. [16; 17]

This is a boundary case: the applicant was on a US list and should not be described as absent from every sanctions list. Its relevance to this report is the distinction between foreign status and the legal basis of refusal under EU law. The judgment does not remove applicable sanctions obligations or authorise every dollar transaction. A practical request should concern consideration of the particular basic account under the proper legal framework, rather than a worldwide declaration that the customer is unrestricted.

Taken together, the cases demonstrate why authorities should be used through their facts and subject matter. Proportionality does not guarantee a favourable decision. It requires examination of the relationship between the identified risk, the selected measure and its impact on protected interests.

16. Complaints and French routes of redress

The first complaint should reach the department authorised to handle complaints, rather than only the branch relationship manager. It should separate facts, objections and requested remedies. Facts describe events without speculation about internal motives. Objections identify an error or disproportionate measure. The requested remedy states the outcome: complete a review, correct a profile, confirm access to the balance, reconsider closure or reimburse specified costs.

The ACPR describes a written process that preserves the complaint and a general framework of acknowledgment within ten working days and a response within two months. Particular categories, including payment services, have specific rules. Mediation and the mediator's jurisdiction depend on the dispute and the applicant's status. The ACPR supervises institutions but does not decide an individual contractual dispute in place of a court or mediator. [18]

Attachments should relate to the requested outcome. Corporate contracts do not resolve an incorrect birth date; a passport does not answer a source-of-funds question. It is useful to identify material already supplied, the delivery date and the question left unanswered. This distinguishes a new request from repeated demands for information already received.

Restrictions on disclosing reports to a financial intelligence unit limit some explanations. A bank's silence does not, however, prove that a report exists. A complaint should not rest on an assumed secret accusation. The appropriate request concerns the parts of the decision that can be explained and the process for supplying missing information. [1]

Parallel approaches should be coordinated. The Banque de France needs information relevant to account access; a mediator addresses the individual dispute; the ACPR receives information relevant to supervision. Sending every body the same letter without identifying its role reduces clarity. A complaint does not automatically suspend closure, a binding instruction or a court deadline. Each must be considered separately.

17. The United Kingdom and United States compared

A UK dispute requires examination of account type, contract date and the applicable termination framework. The Financial Ombudsman Service identifies changes in April 2026 and distinctions between earlier and newer contracts; special circumstances and some business accounts require separate treatment. A single notice-period formula for every UK account is therefore unreliable. The contract, notice, availability of funds and evidenced consequences of closure are central to a complaint. [19]

A practical request should identify which terms the bank applied and why. If notice was given but outgoing payments stopped immediately, notice and actual access become separate issues. Even a lengthy formal notice period offers little assistance where funds are unavailable from the first day. Statements, rejection messages and written replies should establish what happened.

Recourse to the Financial Ombudsman Service is subject to its jurisdiction and eligibility rules. Not every foreign company or transaction falls within that mechanism. The regulated legal entity and the applicant's status should be established before submission. The ombudsman's public account-closure guidance helps organise evidence but does not promise restoration of a particular account.

The US context requires a particularly careful distinction between OFAC and banking services generally. OFAC administers sanctions; its name-matching guidance does not establish a universal duty to accept customers. Where identity is mistaken, the task is to resolve the incorrect sanctions basis. Where the bank ended a relationship under its own policy, approaching a sanctions authority may not resolve the contractual issue.

The Treasury's 2023 strategy recognises the systemic consequences of de-risking but does not replace analysis of applicable law, contract or institutional competence. [5] Comparative work should not convert international concern about unjustified exclusion into an invented universal right to banking. National mechanisms differ, and success in one jurisdiction does not automatically bind an institution elsewhere.

18. Judicial protection, urgency and loss

A claim should correspond to the alleged breach. Potential issues include performance of a contractual duty, wrongful termination, retention of funds, violation of special access protections and compensation. The appropriate claim depends on national law, the parties' procedural position and whether the obstacle is a private decision or compliance with a binding measure.

For interim protection, saying that an account is important is insufficient. The submission should identify an imminent consequence: a particular payroll, housing payment, tax deadline or contractual obligation. Evidence should show why ordinary proceedings would be too late and why the proposed order would not require a prohibited transaction. Access to a specified unrestricted amount or consideration of particular documents may sometimes be a more realistic request than unrestricted restoration of every service.

Loss must be connected to the conduct challenged. A return fee, documented penalty and cost of replacement financing differ from a speculative business opportunity. Each item requires an amount, date, basis and explanation of causation. Reasonable steps available to reduce loss must also be considered, without requiring unlawful conduct or disproportionate expense.

Evidence held by the bank creates a separate issue. National procedure may allow production or examination of material subject to confidentiality safeguards. Customers should not be promised full disclosure of internal algorithms or financial intelligence reports. It is more useful to identify the specific documents capable of establishing a disputed fact, such as the decision date, use of an incorrect identifier or failure to consider a document received.

Litigation and restoration of everyday access should proceed coherently. Opening another lawful account may reduce loss without necessarily eliminating a claim concerning an earlier breach. Conversely, obtaining a functioning alternative may reduce the urgency of a demand to preserve the original relationship. Changes should be reflected promptly in the procedural position.

The remedy should also be tested against enforceability. An order directed to one institution cannot necessarily resolve a separate restriction imposed by another participant in a payment chain. Before seeking urgent relief, the applicant should identify which entity controls the requested act. This prevents a successful argument on principle from producing an order that cannot restore the service in practice.

19. Practical scenarios and action sequences

The following scenarios are hypothetical. They illustrate a method of organising a case. They do not describe Observatoire ARGAs clients, established breaches by particular banks or guaranteed outcomes.

A salary account affected by a name match

An employee of a French company is told that operations have been restricted after a passport update. The name resembles that of a listed person, but the date of birth differs. The first step is to retain the notice and establish the scope of the restriction. A concise identifier comparison, supported by the valid identity document, is then sent with a request for renewed screening. The employer confirms the expected salary payment. That establishes urgency but does not replace identity verification.

If the match is resolved, the salary already rejected must be traced separately. It may have returned to the employer and will not automatically reappear in the account. If the bank still terminates under a different ground, notice and basic access become separate tasks. Successful identity correction should therefore not be mistaken for resolution of every consequence.

Sale proceeds and an outdated residence document

A customer expects a substantial transfer following an asset sale. The bank invokes a deposit restriction while holding an old residence document. The file is divided into current immigration status and the origin of the sale proceeds. The first part explains the legal effect of the current document; the second reconciles the contract amount with the payment and transaction costs.

The request seeks reconsideration of the particular restriction's applicability, rather than an exception on compassionate grounds. Recognition of the exception may leave source-of-funds checks outstanding. A separate sanctions problem involving the payer or intermediary must be examined independently. This sequence avoids the misleading suggestion that a residence permit alone is enough for every transfer.

Former public office and ordinary income

A customer left public office several years ago, but the bank requests information on all relatives and an extensive history of assets. The reply identifies the dates and scope of former responsibilities, current occupation and sources relevant to the banking relationship. It then asks that the extent of checks be reviewed against present risk and applicable national rules.

Information clearly relevant to the case should be separated from requests whose connection has not been explained. Refusing all information because there is no conviction does not address the preventive function of due diligence. A request to explain the necessity of an excessively broad set of data, however, gives a complaint a concrete subject.

A company approaching payroll

A small company receives notice of termination. Its only operating account is used for wages, rent and tax. The director preserves the notice, contract and payment calendar, prepares current ownership information and explains the business. In parallel, eligibility for professional *droit au compte* is checked and a proper application made where the conditions are met.

Restrictions imposed before the announced closure date are recorded separately. Any urgent remedy is linked to identified amounts and recipients. Expenditure documents do not automatically establish the lawfulness of every receipt, so genuine source-of-funds questions must still be answered. The director's personal account is not used as an undisclosed corporate substitute.

A transfer stopped by an intermediary

A buyer has paid, but the seller has not received credit. The sender has evidence of debit, and its bank reports additional review within the chain. The identifier, latest confirmed stage and recipient for documents are established first. The contract, invoice and party information are checked for consistency and sent through the specified channel.

Before another payment is made, the possibility of completion or return of the first must be clarified. If funds return with a deduction, the calculation is documented. If a binding prohibition is established, the next task concerns its legal basis and any available authorisation, rather than an opaque alternative route. Financial planning rests on the confirmed status of the money.

An outdated report in a commercial database

A bank refers to adverse information concerning an investigation. The proceeding has ended, but the supplier's profile omits that development. The customer prepares the decision, an explanation of its effect and a precise list of inaccurate or incomplete statements. The correction request goes to the relevant data operator, while evidence of the current position is sent to the bank.

Even after correction, a separate response to the reconsideration request is needed. If restrictions continue on other grounds, those grounds become the subject of the dispute. Removal of a report from search results does not itself establish correction of the bank's record or completion of its review.

20. The evidence file, deadlines and outcomes

The file should enable an independent reader to reconstruct events without an oral account. Its foundation is a short chronology, the contract, bank communications, identity or corporate documents, evidence of the disputed transactions and responses to requests. Large exhibits should identify the pages relevant to the issue. Versions should be dated; corrections should not appear to conceal or replace information originally supplied.

The calendar should distinguish closure, complaint-response deadlines, mediation deadlines, court time limits and essential payment dates. These do not necessarily coincide or suspend one another. The person managing the matter should know which action depends on the bank's reply and which must proceed regardless. This is particularly important where correspondence creates the impression of ongoing negotiations while the contractual deadline continues to run.

Problem	Key evidence	Outcome that can be checked
False match	Comparison of verified identifiers	Corrected profile and renewed assessment
Incomplete source of funds	Traceable documentary chain	Resolution of the identified gap
Overlooked exception	Current document and applicable rule	Reconsideration of the restriction's scope
Account termination	Contract, notice and access log	Proper procedure and access to unrestricted funds
No basic access	Documented refusal and applicant evidence	Consideration under the special procedure
Financial loss	Calculation, primary records and causation	Compensation for established loss where legally justified

An outcome should be assessed by actual functionality. A letter saying that review is complete has limited value if the card remains disabled and transfers continue to fail. Following a favourable decision, ordinary lawful use should establish which functions have returned, how retained sums

have been treated and whether a new instruction is required for a previously rejected payment. Verification should not involve artificial splitting or attempts to test the boundaries of controls.

A partial outcome should leave the remaining dispute clearly recorded. The account may be open while earlier fees remain unresolved; the profile may be corrected while a transfer has not returned. Separating these matters allows completed work to be closed without repeating the entire history in every further submission.

A final record should identify what has actually been agreed, who communicated it and on what date. An informal assurance from a relationship manager may differ from the complaints team's written decision. Where the two conflict, clarification should be sought before relying on the assurance for an essential payment. This is a question of evidential reliability, not a reason to prolong a dispute whose practical objectives have been met.

21. Conclusions and proposals from Observatoire ARGAs

An excessive banking restriction is established through a mismatch between the legal ground, the facts and the measure selected, rather than inconvenience alone. Strong cases identify a verifiable error: mistaken identity, an inapplicable regime, an overlooked exception, unjustified expansion of a restriction or defective procedure. Where a prohibition genuinely applies, the strategy must use the remedies provided by law rather than deny the bank's duty.

Observatoire ARGAs proposes evaluating access practices by the quality of decisions. Institutions should distinguish mandatory prohibitions, incomplete checks, false matches and commercial termination in their records. Combining these situations under a single compliance category makes it difficult to understand refusal patterns or the effectiveness of correction. These are the author's recommendations, not a statement of a universally binding standard.

Internal procedures should identify responsibility for non-standard documents and reassessment following changed circumstances. They should record the alternatives considered and why those alternatives fail to address the risk. This helps both customer and institution: a reasoned decision is easier to defend before a supervisor or court than a general formula without a traceable factual basis.

Anonymised reporting could usefully address repeated false matches, correction times, completed reviews and restored access. The number of rejected customers alone does not measure the quality of financial controls. Fewer refusals are not an unconditional objective if achieved by ignoring genuine prohibitions. The meaningful capability is to distinguish manageable risk, a mandatory restriction and an error.

Protection of non-listed persons should remain concrete. Identify the restriction and its basis, assemble evidence on the disputed fact, and select the competent recipient and an achievable request. This preserves the legitimate purposes of financial controls while creating a practical route to correct unjustified exclusion from banking services.

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Materials checked as at 28 September 2026. Judgments, legislation and administrative guidance have different legal status. Section 19 contains hypothetical scenarios; the proposals in section 21 are the author's analysis.

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