

Before the Arbiter for Financial Services

Case ASF 293/2025

QW

(‘Complainant’)

Vs

Bank of Valletta p.l.c.

(C 2833)

(‘Service Provider’ or ‘BOV’ or ‘Bank’)

Sitting of 15 June 2026

The Arbiter

Complaint

Having seen the complaint¹ dated 21 November 2025, protesting the Bank’s closure of his only account in Malta which he uses to pay for rent, utilities, taxes and living expenses.

He accused the Bank of violating his civil rights, causing disruption to his way of life and placed him in a situation where a Maltese citizen in the EU cannot feel financially secure in his home country.

Complainant had become a Maltese citizen through the citizenship for investment scheme at the time offered by the government.

He demanded an apology and a reinstatement of his account.

¹ Pages (p.) 1 - 6 and pages annexed p. 7 - 17

During the process, the Arbiter asked the Complainant to clarify whether he was seeking his right to have a Basic Payments Account (BPA) in terms of EU Directive 2014/92/EU which was enacted in Maltese law by S.L. 371.18.

The Complainant replied in the affirmative, but BOV raised procedural issues forcing Complainant to file fresh submissions requesting a BPA rather a reinstatement of his closed account. This involved a fresh reply and basically a restart to the process.

Complainant made a re-statement of his complaint on 27 January 2026.² In spite of forcing a restart of the proceedings claiming they would need to file “*a supplementary statement of defence,*”³ no such filing was made.

Reply

As the Bank considered their original reply of 12 December 2025 as not addressing the changed nature of the complaint whereby the Complainant claims his right to have a BPA, the Arbiter will not refer to the original reply of 12 December 2025. The Bank’s reply will be the evidence they presented at the hearing stage.

Hearings

A hearing was held on 20 April 2026 to consider the evidence of the Complainant regarding his right for a BPA. The evidence given at a prior hearing on 07 January 2026 will not be considered as it did not refer to the changed nature of the complaint.

Complainant stated:

“Asked whether I agree that I have not claimed that I am unable to access banking services altogether, I say, yes, I have.

Asked whether I have presented any unpaid bills or any enforcement notices or penalties arising from the lack of a BOV account, I say, no.

Asked whether I can present any of these items, I say that I have the bills but I use another international banking facility to settle this account which is quite

² P. 75

³ P. 71

inconvenient for me because I would like to have my account in Malta. I do not have any other accounts in Malta. I had for the time being only one account in Malta with Bank of Valletta.

I confirm that I am residing in Cyprus but in the meantime, I have my rights to have a basic payment account in Malta.

Arbiter's questions to the Complainant:

Asked why I need an account with Bank of Valletta and what transactions will go through that account, I have basic payments in Malta, I have my mobile service, I have my rent in Malta and I have some utilities.

I would like to have this account to pay local expenses and bills in Malta. The maximum turnover to pay these bills would probably be €10,000 per year. My rent is €6,000 and the other €4,000 are for the bills and expenses.”⁴

A second hearing was held on 22 May 2026 for the evidence of Mark Falzon, Deputy Money Laundering Reporting Officer at BOV. He stated:

“First of all, if I may, I would like to give a context. I say that all our clients go through a routine, a review periodically, depending on a number of factors. The period is determined over a number of factors, and over the last review, it was determined that Complainant no longer had any physical connection to Malta, except the passport.

The bank decided that the relationship was no longer in scope of its risk appetite.

The bank is against providing a basic payment account for the simple reason that the account itself was not being used in the first place. Complainant had an account with us up until it was closed some months ago.

As I believe, Dr XXX has already provided the statement of accounts in these proceedings.

It can be clearly seen that Complainant, over the last three years, if memory serves me right, had used his accounts only once a year for two transactions, basically, a transfer from his Revolut account to his BOV account and,

⁴ P. 81 - 82

immediately the day after, the same amount of €6,000, is transferred for rent in Malta.

Now, we already know from previous sittings in these proceedings that Complainant is actually not living in Malta despite paying rent.

And as it clearly can be ascertained, the account is not used for day-to-day living expenses.

The transfer can easily be done from Revolut directly to the tenant, to the person providing the property in Malta, instead of passing through BOV account.⁵

The Arbiter made reference to copies of the account statement⁶ submitted and asked Complainant to explain payments made to XXX Malta Limited.

Complainant replied that these payments relate to settlement of bills for accounting, tax and corporate matters related to his Malta company.⁷

Final Submissions

In his final submissions, Complainant insisted he has a right to a BPA, and BOV had no right to deny him one and insist instead that local payments be made from his Revolut account.

BOV made lengthy final submissions⁸ which, in essence, defended their position of refusing to open a BPA for Complainant on the basis that past operation of the account and the evidence provided failed to prove that Complainant actually needs this account for his day-to-day transactions.

They also argued that the nexus of Complainant to Malta, in spite of his being a Maltese citizen and has a rented lodging in Malta, was insufficient to prove that he qualifies for a BPA.

⁵ P. 90 - 91

⁶ P. 88 -89

⁷ P. 91

⁸ P. 94 - 107

Analysis and observations

What is a Basic Payments Account?

Every resident living in Malta or in another EU state has the right to a bank account that can perform basic functions, and this obligation binds banks that have more than four branches. The bank may only refuse to open such an account for these reasons:

- If the individual does not comply with European Union regulations on money laundering and terrorist financing.
- If they already have an account with another bank.
- If they do not prove they need such an account.

Even the MFSA on its website informs as follows:

“A Payment Account with Basic features is a basic bank account that allows, when legally residing in Malta or in another EU Member State that do not have other bank accounts in Malta, to have access to a set of banking services considered as essential, free of charge or at a reasonable cost.

AM I ELIGIBLE?

The payment account with basic features is available to anyone who is legally resident in Malta or in another EU Member State, including those whose status may mean they are not eligible for other banking products.

This means you can get this account even if you have no fixed address, if you are a refugee, stateless person or asylum seeker, or if you have not been granted a residence permit but cannot be sent back to your home country for legal or factual reasons.

Although you have a right to open a payment account with basic features, banks have an obligation to verify that you actually need this account for your day-to-day transactions.

WHAT IS A PAYMENT ACCOUNT WITH BASIC FEATURES?

A payment account with basic features is a bank account for personal use which offers basic banking services. This account may be available either free of charge or for a reasonable fee.

You will not be under any obligation to buy any other banking services from the bank in question in order to access your basic bank account.”

Consideration

The crucial point is that a person in the Complainant's position should not be denied the right to a basic payment account if they demonstrate that:

- they genuinely need a BPA account for daily needs;
- they accept conditions that eliminate any risk associated with AML/CFT.

The BOV argument that the Complainant does not need such an account because he has an account with Revolut is rejected. Revolut has no physical presence in Malta and having such account with an overseas bank does not extinguish the right to have a BPA in Malta.

The obligation to prove a need for a BPA would apply to non-Maltese EU citizens who do not reside or have an economic nexus with Malta. Maltese citizens who reside in other EU states do not have to prove any need to a BPA, by virtue of their citizenship and their residency, if the account is used to pay for their Malta expenses.

Complainant has explained that he needs the BPA to pay his rent and local expenses and indicated a maximum of €10,000 turnover p.a.

Clearly, this presents no AML risks which can lead to denial of a BPA.

He admitted he is not resident here but still needs to pay the rent, utilities and expenses if he visits.

On the other hand, the payments related to consultancy services related to his Malta company cannot be considered as living expenses and should not be funded from a BPA account.

Decision

The Arbiter is obliged to give a judgment on the complaint with reference to what, in his opinion, is fair, equitable and reasonable in the particular circumstances and substantive merits of the case. He also has the obligation to handle the complaint in a procedurally fair, informal, economical, and expedited manner.

Since the Complainant is a Maltese citizen residing in another EU country, and he has no other account with any bank that can offer a BPA in Malta, and since it was BOV that closed the last account he had, the Arbiter orders Bank of Valletta p.l.c. to offer the Complainant a Basic Payment Account which can be used only to pay rent and ordinary living personal expenses for a maximum turnover of €10,000 p.a.

Subject to this provision, the BPA account must offer all the services listed in article 25(1) of S.L. 371.18.

Parties are to carry their own costs of these proceedings.

Alfred Mifsud
Arbiter for Financial Services

Information Note related to the Arbiter's decision

Right of Appeal

The Arbiter's Decision is legally binding on the parties, subject only to the right of an appeal regulated by article 27 of the Arbiter for Financial Services Act (Cap. 555) ('the Act') to the Court of Appeal (Inferior Jurisdiction), not later than twenty (20) days from the date of notification of the Decision or, in the event of a request for clarification or correction of the Decision requested in terms of article 26(4) of the Act, from the date of notification of such interpretation or clarification or correction as provided for under article 27(3) of the Act.

Any requests for clarification of the award or requests to correct any errors in computation or clerical or typographical or similar errors requested in terms of article 26(4) of the Act, are to be filed with the Arbiter, with a copy to the other party, within fifteen (15) days from notification of the Decision in terms of the said article.

In accordance with established practice, the Arbiter's Decision will be uploaded on the OAFS website. Personal details of the Complainant(s) will be anonymised in terms of article 11(1)(f) of the Act.