Closing an Account

The information about an account closure is provided via the delivery of the corresponding deal data.

A closed account must not be confused with a deactivated or cancelled account. Cancelled accounts are fully removed from the books as if they had never existed. This means that backdated offset cancellation postings are generated for any postings that have already been made. Regularly closed accounts, on the other hand, have already contributed to the total profit/loss during their life cycle. They are just inactive starting from the closing date. Closed accounts are not removed from storage immediately, since they need to be taken into account for the rest of the current financial year.

When an account closure is delivered, the account is then initially considered to be in the process of being closed, i.e., in the transition state "Deal in Closing Status – CLOSING". This status prevents certain business events from being entered. Certain other business events, however, can still be entered as normal. For an account to be closed, for example, the account balance can still be charged-off and the dunning workflow can be terminated (for more details, see below). As soon as an account is in this transition state, a corresponding follow-up entry is generated.

At the end of each daily processing, a check is made for all accounts to be closed whether the necessary operations for the final closure of the account have been carried out (see below). Only if this is the case, the account will be given the "Deal in Closed Status – CLOSED" status. After that, all business events are blocked for this account and any follow-ups created for it are automatically closed. As mentioned above, however, this does not mean that these accounts are no longer visible in the application. They are still displayed in view mode and are included in various analyses for the current financial year.

Requirements for the Final Closure of an Account

The following two conditions must be met before an account can be permanently closed:

- The account balance must be "0".
- The account must cannot have an active dunning workflow.

As long as one of the two conditions is not met, the account remains in the transition state "Deal in Closing Status – CLOSING" and the corresponding follow-up stays active.

As soon as there is a zero balance and provided that there is no active dunning stop, the account automatically exits the dunning workflow. In such a case, the dunning stop must be cancelled manually. Besides, these are the only business events that can be entered in the application during the for accounts in the "Deal in Closing Status – CLOSING" transition state.