

The complaint

Mr H complains that Sainsbury's Bank Plc blocked his account and requires him to complete enhanced security checks before it will remove the block.

What happened

Mr H holds a credit card account with Sainsbury's Bank. In November 2022, several transactions which he attempted on the card were declined, so he called Sainsbury's Bank to find out why. Sainsbury's Bank's agent told Mr H that his account had been blocked because some mail had been returned undelivered. They couldn't tell Mr H what the piece of mail was. Mr H said his address hadn't changed. He said Sainsbury's Bank should have called him to tell him about the block as this would have saved him the embarrassment of having his card declined while shopping.

Sainsbury's Bank's agent said that Mr H would need to answer some enhanced security questions to remove the block, some of which related to information on his credit file. Mr H wasn't happy about this and declined to answer the questions. He said that, if Sainsbury's Bank had any doubt about who it was speaking to, the agent shouldn't have discussed any details about the account during the call. He raised a complaint and asked for a transcript of the call. The block remained in place.

Sainsbury's Bank said that, when mail is returned, its policy is to place a block on the customer's account until it can confirm their current address. It said it couldn't tell Mr H exactly what mail had been returned as this had been destroyed for security reasons. It said it had sent Mr H a secure message through his online banking telling him his account was blocked and what he needed to do. Sainsbury's Bank said it couldn't override this security process, so Mr H would need to complete the steps set out in the message for the block to be removed. It said it couldn't provide the call transcript while the block remained in place.

Unfortunately, Sainsbury's Bank sent its complaint response to an incorrect email address, so Mr H didn't receive it. This came to light several weeks later when Mr H chased up a response. Sainsbury's Bank apologised for this and offered Mr H £50 in recognition of its mistake. This hasn't been paid to date as Mr H didn't accept the offer.

After this, Mr H confirmed by email that the address held on his online account was correct. He said no mail should have been returned and Sainsbury's Bank shouldn't have blocked his account. He asked for all the information Sainsbury's Bank holds about him, the correspondence it sent him between 1 October 2022 and 30 December 2022 and a transcript of the call from November. He said that, as his address was correct, the block should be removed. But Sainsbury's Bank said Mr H would still need to complete the higher level of security. It said it couldn't confirm any details about the account or provide the information he had requested until the security process had been completed.

After further contact from Mr H, Sainsbury's Bank reviewed the complaint. It maintained that it couldn't remove the block because Mr H had declined to complete the security checks. But it said it would send him a secure code which he could use to reset his account security. It said it wouldn't be able to discuss the account with Mr H until he had done this.

Mr H wasn't happy with Sainsbury's Bank's response and brought the complaint to this service in May. He wants it to unblock his account and provide all the information he has requested under his subject access request. He would also like some compensation. He says he has received mail from Sainsbury's Bank while the block is in place, which is at odds with Sainsbury's Bank's stance that it can't comply with his subject access request until he has completed the security checks. Mr H says he has repeatedly asked Sainsbury's Bank to explain its requirement for enhanced security, but it has refused to do this.

Our Investigator thought that Sainsbury's Bank had acted reasonably. But Mr H didn't agree and asked for the complaint to be reviewed by an Ombudsman.

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.

Having done so, I think Sainsbury's Bank has acted fairly and reasonably here so I'm not going to ask it to do anything. I'll explain why.

The terms and conditions of Mr H's account say that Sainsbury's Bank may suspend, restrict or cancel the use of his card or stop the use of its telephone or online service if it's concerned about the security of his account.

Sainsbury's Bank says that mail sent to Mr H's address was returned. It says that, when this happens, it needs to secure the customer's account until it can verify that the details it holds are correct. I think that's a reasonable approach.

Mr H says that nothing was delivered to his address and has asked what mail was returned. He says that Sainsbury's Bank's agent told him it wasn't a statement but couldn't confirm what it was. Sainsbury's Bank says it can't confirm what the mail was as it was destroyed for security reasons. I think that's reasonable. Mr H says it was probably a marketing communication and doesn't think this justifies his account being blocked. I haven't seen anything to suggest what the item of mail was. But I have no reason to doubt that mail was returned to Sainsbury's Bank. So, regardless of the type of document it was, I think Sainsbury's Bank had cause for concern about the security of Mr H's account. Therefore, I think it was reasonable for it to block the account.

Mr H says that Sainsbury's Bank should have told him it had blocked his account. I'm satisfied that it sent him a secure message through his online banking on the day the account was blocked. So it did tell him about the block. But Mr H says that Sainsbury's Bank should have known that he wasn't using online banking so wouldn't receive the message. Sainsbury's Bank says it doesn't monitor individual accounts, so it wouldn't have known that Mr H wasn't accessing online banking. I think that's reasonable. Mr H says that Sainsbury's Bank should have called him or sent him a text message. I can understand that would have been preferable for him. But I don't think Sainsbury's Bank did anything wrong by using online banking to inform him of the block. The terms and conditions of his account allow it to contact him in this way and I think it was reasonable for it to do so here.

Turning now to the steps required to unblock the account, Sainsbury's Bank says that Mr H needs to complete a higher level of security before it can do this. I'd expect Sainsbury's Bank to have security measures and procedures in place to safeguard customers' accounts and prevent fraud so far as possible. It's for Sainsbury's Bank to decide exactly what those procedures are and how they're carried out. But I think it's reasonable for it to have particular

measures in place to deal with the removal of a security block. And I'm satisfied that Sainsbury's Bank's process requires enhanced security to be completed in this situation.

So, I find that Sainsbury's Bank was following its usual process by asking Mr H to complete the enhanced security checks. It's in the nature of checks like this that they do sometimes cause inconvenience, but the checks are in place to protect customers. Here, I don't think Sainsbury's Bank's approach was unreasonable or unduly inconvenient to Mr H.

But Mr H says he had already passed security on the call and the agent had confirmed certain details about his account. He says they shouldn't have done this if they had any doubts that he was the genuine customer. Sainsbury's Bank has explained that there are different levels of security within its process. Removing a block from a customer's account poses a significant risk, so it requires a higher level of security than some other actions. Mr H had completed a lower level of security, which enabled the agent to discuss issues up to a point. But a higher level of security had to be passed for the riskier action of removing the block to be completed. I think that's a reasonable explanation.

After Mr H declined to answer the enhanced security questions over the phone, Sainsbury's Bank offered him another way of completing security. It said he could log in to online banking to check and update his address. Mr H says he logged in and saw that the address held on his account was correct. The information I've seen confirms that Mr H logged in at the end of December and viewed the account, but the block wasn't lifted. Sainsbury's Bank has explained that, although Mr H viewed the account details and his address hasn't changed, he would need to re-enter and save the address to satisfy its requirements. I don't think this was clear from Sainsbury's Bank's communications with Mr H at the time.

However, following further contact from Mr H, Sainsbury's Bank offered an alternative solution. In March, it sent Mr H a secure code by email. It has asked him to call and confirm this code, following which it says it will be able to remove the block and also unlock telephone access to his account (which is currently locked as a result of his decision not to answer the enhanced security questions on the previous call). I think this is a fair approach: it enables Mr H's account to be unblocked without him having to answer further questions but without compromising the security of his account.

Mr H has confirmed that he received the code but he hasn't contacted Sainsbury's Bank. I don't think Sainsbury's Bank's security requirements are onerous here. And it has offered a solution which goes beyond its usual procedure in an effort to resolve the situation. Mr H has chosen not to complete the security process or use the code. So, it's reasonable for Sainsbury's Bank to keep the block in place.

Mr H is unhappy that Sainsbury's Bank hasn't provided the information he requested through a subject access request. Sainsbury's Bank says that, as the account is blocked due to security concerns over returned mail, it can't send out the information Mr H has requested. It says it will be able to do so once the security requirements have been completed. This could be resolved by Mr H calling Sainsbury's Bank with the code I've referred to above. I think Sainsbury's Bank's approach is reasonable. Mr H has received some mail from Sainsbury's Bank while the block has been in place. But I don't find that to be inconsistent with Sainsbury's Bank's approach because those letters don't contain sensitive personal information. I don't think Sainsbury's Bank has acted unfairly in this respect. But if Mr H remains unhappy, he can ask the Information Commissioner's Office to look at it.

When Sainsbury's Bank responded to the complaint, it made a typing error in Mr H's email address, so he didn't receive the email. Sainsbury's Bank acknowledged this mistake and offered Mr H £50 as an apology. I think this is a fair offer as I think the impact of this mistake was minimal. But Mr H says that Sainsbury's Bank should have had his email address on file

as it sends him marketing emails. Sainsbury's Bank says that he may receive marketing emails from other parts of the business, but it doesn't hold an address on his account. It says it took his email address for the purposes of this complaint, but it wasn't saved to his account. It says that, once Mr H has completed the enhanced security process, it can update the email address to his account. I think that's reasonable.

In conclusion, I think Sainsbury's Bank acted fairly and reasonably here. If Mr H wants to unblock his account, he should contact Sainsbury's Bank using the secure code. If he now wishes to accept the offer of £50 for the mistake with the email address, he should let Sainsbury's Bank know. But I'm not going to ask Sainsbury's Bank to do any more here.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 January 2024.

Katy Kidd
Ombudsman