

The complaint

Mr P complains that TSB Bank plc did not give him access to the funds in his account and they blocked his internet banking.

What happened

Mr P says he tried to make a transfer to a third party of £4,600 on 19 May 2023, but TSB blocked his account. He says he contacted TSB to unblock his account as he no longer wished to process the transfer, but they wouldn't unblock the account as he was not able to provide paper evidence of why he was transferring the funds. Mr P says the account was finally unblocked on 7 June 2023, but he had been without his funds until they removed the block. Mr P made a complaint to TSB.

TSB did not uphold Mr P's complaint. They said they acted in line with their processes when they requested further information to be provided following a security check. TSB said that until checks have been completed and the information requested has been received and reviewed in line with their internal criteria, they would not remove the block. They said as Mr P no longer wished to make the payment, they would recommend he speaks with their fraud team again to advise this, to see if they will still require the information. Mr P brought his complaint to our service.

Our investigator partially upheld Mr P's complaint. He said that Mr P told TSB he no longer wished to make the payment on 20 May 2023, so at this point the blocks should have been removed. As this did not happen, together with the inconvenience for their failure to remove the blocks and repeated calls, he recommended TSB pay Mr P 8% interest on his account balance from 20 May 2023 to 7 Jun 2023 when the blocks were removed as he did not have access to his account, and for them to pay him £100 compensation for distress and inconvenience. After TSB responded to our investigator to show there were no blocks on Mr P's account itself (apart from online banking), our investigator revised his position and said that TSB should pay Mr P £100 without interest being added.

Mr P did not agree with the revised outcome, and he asked for an ombudsman to review his complaint. He made a number of points. In summary he said he did not have access to any of his accounts through internet banking, which is always the method he used, and he had done so for a long time. He said he did not live near a branch, and it would have been difficult for him to get to one given the distance the nearest branch was to him.

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.

I'd like to explain to Mr P that it is not within this service's remit to tell a business how to run their security procedures. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct TSB to make changes to their policies and procedures, if necessary. Our service acts as an informal dispute resolution service for complaints about financial businesses. We look at the circumstances of individual complaints

and, on a case by case basis, taking into account relevant industry guidance for example, make findings about whether a financial business has failed their customer.

Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent fraudulent transactions. Sometimes they identify and block legitimate payments that a customer wants to take place. They can also ask customers to provide additional information about the transaction or to ask a customer to attend a branch with identification if they remain concerned. This can cause distress and inconvenience to a customer – but it doesn't necessarily mean they have acted incorrectly.

I've looked at whether TSB have acted in line with their terms and conditions here. I'm satisfied that they have, and I'll explain why. Their terms and conditions, shows that they can stop payments being made from a customer's account if they reasonably believe it's appropriate to protect a customer's account.

I've listened to the call Mr P has with TSB on 20 May 2023. He tells the call handler his account is locked. The call handler confirms he was asked to send them some information. But Mr P tells her he wants to cancel the payment, and he confirms he has made the payment with another bank. So it would have been proportionate here for the call handler to have at least rang through to the relevant department to see what they could do.

Mr P talks about withdrawing all of his money from TSB and asks their procedure. The call handler says he would be able to visit the branch to do so but Mr P says he isn't going to the branch (he had previously told the call handler about the 60 mile round trip to the branch).

I've also listened to the call Mr P had on 7 June 2023. He didn't email TSB any information about the transaction, but the block was removed on the call when Mr P answered further questions. So I'm not persuaded that the block on his internet banking couldn't have been removed on 20 May 2023 if the call handler had asked Mr P the same questions as the call handler on 7 June 2023 (or transferred him to someone who could ask him the same questions if she was unable to), especially as Mr P had sent them no emails with the information they asked him to provide. So I'm persuaded that TSB did cause Mr P inconvenience by him having to ring back on further occasions, and distress for him not being able to access his online banking for nearly three weeks.

So I've considered what would be a fair outcome for this complaint. In order to ask TSB to pay interest as part of an award, I'd need to be satisfied that they had deprived Mr P access to his funds unfairly. But I can't reasonably say they deprived him access to his funds and I'll explain why.

A block on Mr P's internet banking is not the same as a block on the funds debiting his account. And I'm satisfied that there was no block on the funds debiting his account during the time that he was without internet banking. I say this as I can see that a standing order left his account on 5 June 2023, two days before the internet banking block was removed. So Mr P had access to his funds – just not via his preferred method. My understanding is there were no blocks on his debit card. So Mr P would have been able to make purchases via his card, and TSB have confirmed this. They also told him he could access all of his funds in the branch on the call on 20 May 2023. While Mr P was not prepared to do this, I can't fairly say he was deprived access to his funds. And therefore it isn't proportionate to add interest to any compensation I award him.

But I'm satisfied that TSB should pay Mr P compensation for the impact of TSB not removing the block when he rang on 20 May 2023. Only because he didn't do anything different (apart from answering some further questions) on the phone calls on 20 May 2023 and 7 June

2023. So this led him to call back TSB on more than one occasion, which could have been avoided if the call handlers took the same actions as the call handler on 7 June 2023.

I'm persuaded that £100 compensation is proportionate for what happened here. Our awards are not designed to punish a business. I'm not persuaded TSB were unfair to originally block his internet banking (to ensure no money went to fraudsters, or as part of a scam), or to ask him to provide further information originally, as this is their process. But as the call handler on 20 May 2023 should have taken the same course of action (or transferred Mr P to someone who could take the same course of action if she was unable to), then TSB could have avoided the subsequent distress and inconvenience caused to Mr P. So it follows I'll be asking TSB to put things right for Mr P.

Putting things right

Our investigator suggested that TSB pay Mr P £100 for distress and inconvenience, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint in part. TSB Bank plc should pay Mr P £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 25 January 2024.

Gregory Sloanes
Ombudsman