

The complaint

Mr T complains that TSB Bank Plc unfairly blocked a payment he needed to make to enable him to import goods, and he said the consequences of this cost him a lot of money.

What happened

Mr T arranged an agent to ship a container of his goods to another country. He tried to pay the £2,700 fee for this online, but it repeatedly failed, even though he had enough money in his account. TSB messaged Mr T to say his payment was under review. He went to a branch of TSB in the UK to make the transfer, but it still didn't go through, instead they questioned him, which he found embarrassing.

Mr T said TSB promised him his transaction was ready and would complete from his mobile App, but he received a message that TSB will not make the payment. Mr T went abroad to receive his goods, but couldn't pay for their release. He called TSB several times about the problems he faced for non-payment as the agent wouldn't release the container. He said he incurred additional charges, and his customers did not buy from him. He said he couldn't pay for his container by other means and TSB wouldn't help him. He said it took a month to pay the charges, but they had greatly increased, and he was stranded and sick.

Mr T said he had to leave his goods with other people, but later discovered that his van, which he was selling, had been misused and damaged. He said he couldn't understand why TSB had acted this way and he complained and said TSB should compensate him for his loss and damages, including £10,000 for his expenses and pain and suffering.

TSB said it acted in line with the terms and conditions of the account which give it authority to block a transaction when concerned about its authenticity. TSB said security checks are implemented by the fraud system and it has no control over the number of checks applied. It said Mr T's payment flagged on its system for possible fraud and his call cut off while they were transferring him to its fraud department, and he didn't call back. But TSB said Mr T had called several times before to get the block removed and he hadn't received good customer service. TSB paid Mr T £50 compensation and invited him to submit any expenses incurred because of the difficulties he encountered.

Mr T wasn't satisfied with TSB's response and referred his complaint to our service. Our investigator didn't recommend that it be upheld. She said TSB had legitimate concerns about Mr T's payment and blocked it in line with the terms and conditions of the account, and following due diligence checks to show it could be at risk of being fraudulent. She said TSB acted in a fair and reasonable manner and in line with industry standards.

Mr T disagreed with the investigator. He said TSB wasn't justified in blocking the transaction and its reasons were inadequate. Mr T said TSB had acknowledged its lapse in delivering satisfactory customer service which led to his losses and its compensation of £50 'speaks volume of their guilt'. He said TSB wouldn't provide a record of their previous conversation in which it promised further details. Mr T requested an ombudsman review his complaint.

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 was sorry to learn about the financial and health problems Mr T has faced as a consequence of his blocked transaction and I hope he has insurance to cover some of this. I've looked at the transaction Mr T tried to carry out and TSB's handling of it by blocking it three times, to see if TSB acted within the terms and conditions of the account and to see if it has treated him fairly.

Banks are subject to regulatory requirements to prevent fraud on their systems and are required to protect their customers. TSB has explained that where a transaction is deemed to be high risk then it can be flagged even if a security check has previously been carried out. This is in order to protect customers and TSB from falling foul of financial crime.

I have looked at TSB's terms and conditions for Mr T's account. These state that TSB may block payments, 'if:

- *we're worried about the security of your card or security details*
- *we think your card or security details are being used by someone else or are at risk of being used by someone else*
- *you do not pass our security checks for example by entering your security details or using a One Time Password we send you when you try to use your debit card online*
- *we think fraud is happening on your account*
- *there's a significantly increased risk that you won't be able to pay us back any money you owe us*
- *if you do not provide us with identification to allow us to verify your identity within a reasonable time after we've asked you to do this.'*

It's clear from these terms that TSB had the authority of the contract to take the actions it did towards Mr T's transaction. And I think it would have acted similarly with any other customer in his circumstances.

TSB has shared with us confidential information from its security file as to the reasons Mr T's transaction was blocked and said this was for additional reasons each time. I can't share that with Mr T, but can assure him TSB had reasons to block the transaction in line with its normal approach to high-risk transactions. I can see that the transaction in question is not the only one of Mr T's transactions to be blocked by TSB and it has pointed out that Mr T's transaction and losses are all business related, whereas his is a personal account. It said his transactions would be less likely to fail if he had correctly operated a business account. TSB also said that Mr T didn't complete requirements with its fraud department.

TSB has acknowledged minor issues with its customer service in connection with Mr T's calls and said that the service it provided could've been better. In this respect, TSB paid Mr T £50 compensation. This is a long way short of Mr T's suggestion that TSB had acknowledged that its lapses had led to his losses, with compensation that spoke volumes of its guilt.

From my review of its records I haven't found any evidence of the need for TSB to recompense Mr T for the consequences of his blocked transaction. This accords with TSB maintaining that it acted correctly in taking the blocking actions. However, TSB invited Mr T to submit any expenses incurred because of the difficulties he encountered, such as phone charges. It says he hasn't done so, but I think the offer remains open to him.

I agree with the investigator that banks have a difficult balance to strike, they have a responsibility to act on a customer's instructions, but also need to take steps to protect them from financial harm from fraud. This means I would expect TSB to stop any transactions if it has concerns that the consumer or the bank may be at risk of financial harm. As I think TSB has acted within the terms and conditions of the account and treated Mr T fairly, I can't fairly hold TSB responsible for the wider financial and health impacts its decision has had on Mr T.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 18 December 2023.

Andrew Fraser
Ombudsman