

The complaint

Mr W is unhappy that TSB Bank plc froze his account for six days without warning him.

What happened

TSB blocked two of Mr W's outgoing transactions due to fraud concerns. When Mr W called and verified the transactions successfully, but he was then told his account had been flagged for a security check due to a recent large incoming payment. He was asked to send in proof of entitlement, and it seems he was told it could be up to five working days before the investigation was completed.

Mr W is unhappy with the service on the call: he feels he was treated as though he had committed fraud, and this overshadowed the initial reason for the call. He says it lasted an hour and a half and he was transferred between departments about six times. The large payment in had been received several weeks prior yet no action was taken until this point. The call also dropped leaving him confused so he had to call in again. He says the stress then caused during the six days he had no access to his money was unacceptable - he had not been told the whole account would be frozen.

TSB apologised for the poor service and offered Mr W £50 compensation. He rejected this saying the stress this had caused merited between £500 and £1,000 compensation and he wants the assurance this will never happen again.

Our investigator upheld Mr W's complaint in part. He said TSB had made no errors with the blocks or freezing his account, and it had reinstated access within five working days in line with its policy. But he felt Mr W's personal circumstances meant a higher award of £100 was appropriate for the distress and inconvenience caused.

Unhappy with this assessment TSB asked for an ombudsman's review. It said it did not understand why it should pay a higher award. It had applied the block in line with its terms and finished its investigation within the expected timescales - and we had agreed with this. We have not made clear what its error was.

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 am upholding Mr W's complaint in part. I'll explain why.

It is not in dispute that under the terms of the account TSB has the right to block certain transactions, and in some circumstances to suspend account access. And it has been established that Mr W was aware the investigation could take up to five working days. TSB met this timeline. We cannot ask the bank to provide assurances that Mr W's account access may not be suspended in the future as this can be a measure it needs to take to protect its customers.

Where I find TSB failed however was in the service it provided. Unfortunately TSB has not been able to provide the call recording from Mr W's first call to fraud, only one of his second call the following day. But this provides useful contemporaneous testimony in the absence of the initial call recording. On it Mr W raises that he was on a call for one and a half hours the previous day, that he was transferred between multiple departments and most critically that he wasn't told his whole account would be frozen until the investigation was completed. Had he known this I think he could have minimised the stress and inconvenience he suffered so it was important information. I appreciate I cannot verify Mr W's recollections but, on balance, I find they are credible and most likely accurate given he was describing what had happened only the day before.

And TSB has already acknowledged in its final response letter in reference to Mr W's call with fraud that *'this is not the level of service we strive for and I am sorry we let you down here'*. At this stage it offered £50 compensation. I agree with the investigator that £100 is more suitable. As both parties are aware there were a number of factors in Mr W's personal circumstances that meant these service failings was more stressful for Mr W than they may have been for another account holder.

Putting things right

TSB must now pay Mr W £100 compensation in full and final settlement of this complaint.

My final decision

I am upholding this complaint in part. TSB Bank plc must now put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 13 October 2022.

Rebecca Connelley
Ombudsman