

## **The complaint**

Mr P complains TSB Bank plc stopped his debit card without sending a text message, as they'd done previously.

## **What happened**

Mr P holds a current account with TSB.

Early in May 2022, he was using his card to fund gambling transactions. He says this is something he does on a regular basis. There are occasions when TSB require additional authentication and verification before transactions are authorised. He says TSB normally send him a text message advising of this so that he's able to respond. On this occasion, TSB didn't do that.

Mr P attempted to call TSB. But he had to wait an extended period to speak to someone and had to stop his gambling activities. As a result, Mr P feels he was financially impacted.

The following day, Mr P complained to TSB. He wasn't happy they hadn't sent him a text message. He was also unhappy with the time he'd spent on the telephone trying to speak to their fraud team

TSB responded to Mr P's complaint in a letter two days later. They said there were occasions when a requested payment requires a higher level of security. In this case, a text message wouldn't normally be sent, and they would wait for the customer to contact them before verifying its authenticity. They didn't agree they'd done anything wrong.

But TSB did accept Mr P had experienced very long wait times when trying to speak to their fraud department. They explained why that might be, apologised and paid Mr P £40 as compensation for the distress and inconvenience caused.

Unhappy with TSB's response, Mr P referred his complaint to this service. He said he was a regular gambler and the nature of this gambling activity usually resulted in early losses that are subsequently recovered. He thought TSB's actions meant he was unable to do that here which had impacted him financially. He said he'd contacted TSB previously to explain his activities so they could record this on his file with them.

Having looked at all the information available, our investigator didn't think TSB had done anything wrong or treated Mr P unfairly or unreasonably. Our investigator said TSB's account terms and conditions meant they could stop payments to request and undertake the checks they did here. And in any event, he thought there was no guarantee Mr P would definitely have recovered the losses he'd accumulated. He also thought the compensation paid fairly reflected the inconvenience caused by the delays Mr P experienced on the telephone.

Mr P didn't agree with our investigator's findings. He didn't think our investigator had fully understood the nature of his gambling activity. He also suggested that if the higher security checks TSB carried out were as a consequence of the amount(s) involved, he'd already had a similar amount previously approved without problem.

As an agreement couldn't be reached, Mr P's complaint has been passed to me to consider further and reach a final decision.

## **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.

All banks and financial businesses have an implied duty to exercise reasonable care and skill when acting on their customers' instructions. This includes not completing transactions where there are reasonable grounds to believe there may be an attempt to misappropriate funds. In recent court cases, it's been suggested that this duty arises once a business has been "*put on enquiry*" that there may be reasonable grounds (although not necessarily proof) for this belief.

TSB, like many financial businesses, have systems that enable them to swiftly identify potential situations that could put both themselves and their customers at risk of financial harm. There are reports that suggest attempts to defraud bank accounts have risen significantly since the start of the global pandemic. As a result, banks' systems and processes have become more complex and rigorous to ensure all parties are protected as far as possible.

The terms and conditions that apply to Mr P's account make provision for them to stop a transaction or block a bank account in certain circumstances. Their current terms and conditions are available on their website here <https://www.tsb.co.uk/current-accounts/classic-plus-account-terms-and-conditions.pdf>. Specifically, they are covered in Section 3 on page 15 of this document. The important point is that TSB are able to take steps where they reasonably suspect there could be a problem. Their terms also say "*...we might not be able to tell you if that means we might compromise our security measures*".

In Mr P's case, the transaction was flagged by TSB's systems for a higher-level security check. This is apparently different from their usual checks. And the referral wasn't specifically triggered by the amount involved. In such situations, TSB's policy is to not contact the customer, but wait for them to contact TSB.

It isn't the role of this service to ask a business to alter its policies and procedures or impose improvements on the level of service offered to their customers. These aspects fall firmly within the remit of the regulator – in this case, the Financial Conduct Authority (FCA). But it is our role to examine and decide whether a business has been fair and reasonable in the manner in which those policies and procedures are applied in the individual circumstances of Mr P's experience with them.

TSB's security systems flagged Mr P's transaction for a higher-level security check. Whatever the reason, TSB are often not able to provide specific details. These may be business sensitive to either TSB or organisations that feed information into their security systems. But where a potential problem is flagged, TSB are obliged to act upon it and respond appropriately. And from the information I've seen, that's what they did here.

TSB have acknowledged that Mr P had to wait an extended period to speak to their fraud department. They've apologised for that and paid compensation of £40. And I think that response feels fair here.

I realise Mr P will be disappointed, but I can't reasonably say that TSB have done anything wrong here. So, I won't be asking them to do anything more.

## **My final decision**

For the reasons set out above, I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 29 December 2022.

Dave Morgan  
**Ombudsman**