

## **The complaint**

Mr K complains that TSB Bank plc blocked his account and refused to release his funds. Mr K would like substantial compensation.

## **What happened**

Mr K had an account with TSB.

On 20 October 2020 Mr K received an HMRC payment into the account of £3,119.

TSB requested proof of entitlement to these funds. Mr K provided some information to TSB.

TSB said they needed further evidence of entitlement to the funds.

TSB later released the remaining balance of the account amounting to £2,805.08 and paid Mr K 8% interest. Although Mr K accepted the offer, he later changed his mind. He said he wanted compensation for the distress and inconvenience caused by TSB.

Mr K complained to our service. One of our investigators looked into the complaint. He thought TSB could have done more to confirm the validity of Mr K's payment. He thought compensation of £250 was fair in the circumstances having looked at the evidence of impact that Mr K provided to our service such as letter from debt collection agencies and his landlord.

Mr K agreed with the view but thought the compensation wasn't enough. He thought TSB should pay him between £30,000 and £50,000 in compensation. Mr K later said he thought TSB should pay £250 for each month his money had been withheld totalling £3,500 for the administrative errors. In addition, he thought TSB should pay him £125,000 for the distress and inconvenience caused.

In my provisional decision I said:

Looking at everything I can see Mr K agrees with the view. He thinks TSB could have done more but disagrees about the compensation amount.

Because of this I have specifically addressed the issue of compensation and I've therefore looked at the evidence of impact – and the delay caused by TSB.

TSB have awarded interest from January 2021 – this suggests that from that date until the funds were released in December 2021 TSB caused delay and they could have released the funds in January 2021.

TSB were entitled to carry out checks on the entitlement of the funds. From looking at the file TSB have agreed they could have released the funds to Mr K in January 2021- they have paid interest from that date. This suggests they think two months would have been reasonable in investigating if Mr K was entitled to the funds. I think two months is a

reasonable time to establish entitlement of funds, so I'm satisfied that TSB should have returned the funds to Mr K in January 2021.

Mr K has said he experienced financial difficulties as a result of the funds being blocked and sent some letters from his landlord and letters from debt collection agencies. I asked Mr K to provide evidence of his finances in order to establish his financial situation before the funds were blocked and what he was planning to do with the HMRC funds. Mr K hasn't been able to provide me with the information I have requested. Mr K has said that what he was planning to use the refund for is not the central question. Mr K has said that the issue is TSB's abuse of power and process which causes harm. TSB made a mistake and therefore should be held liable for that mistake. Mr K has suggested the amount of compensation he would be happy with.

I acknowledge what Mr K is saying and I agree that TSB made a mistake and should have refunded Mr K's money in January 2021. That isn't in dispute and both Mr K and TSB agree.

However, when our service is looking at errors, we must assess these in light of the impact they have on the individual consumer. The same mistake can have a disproportionately large impact on different consumers, and this should be taken into consideration in order to reach an outcome that is fair and reasonable.

Because of the lack of information provided, it's difficult to establish if the block on his funds was the cause of Mr K's financial difficulty. The block would have needed to be the sole cause of his financial difficulties in order for me to hold TSB liable. Looking at evidence from Mr K and what he has told us I can't say that the block on the HMRC refund was the sole reason Mr K ended up in financial difficulties – there were other reasons for that so I can't hold TSB responsible for the situation Mr K finds himself in.

Having said that I appreciate not having access to £3,000 when in financial difficulties would have made a real difference to him. I also know Mr K actively contacted TSB and also went to branch on numerous occasions to try and resolve the matter. I think Mr K suffered distress and inconvenience as a result of the block. I know Mr K has said he wants a substantial amount of compensation. I appreciate he will be disappointed, but I think £600 is a reasonable amount of compensation in the circumstances – This is in line with the types of awards we consider fair in similar circumstances. The mistake has caused considerable upset, it has needed substantial effort on Mr K's part to sort it out and it's been going on for 12 months.

#### *Responses to my provisional decision*

TSB have accepted my provisional findings.

Mr K hasn't provided any further comments following his earlier comments where he emphasised TSB had made an error and should be held liable for it. I have dealt with these comments in my provisional decision already so will not deal with them again.

#### **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.

Although Mr K and TSB have not provided any further comments, I have nevertheless re-considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have seen nothing to change my mind and so my provisional findings stand.

**Putting things right**

TSB should pay Mr K £600 in compensation for the distress and inconvenience caused.

**My final decision**

For the reasons mentioned above I uphold this complaint and I direct TSB Bank plc to pay Mr K £600 in compensation for his material distress.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 14 September 2022.

Esperanza Fuentes  
**Ombudsman**