

The complaint

Mr A complains TSB Bank Plc unfairly blocked his account and took too long to allow him access to his funds. He wants compensation for the loss and distress he experienced as a result.

What happened

TSB blocked Mr A's personal current account in January 2021. They wanted to carry out an account review. They asked him for proof of his entitlement to various payments on different occasions, including self-employed income support scheme payments, a rental payment from an estate agent, and another grant from a local authority. Mr A provided the information TSB needed and they unblocked his account in February 2021.

Mr A complained about TSB's actions. He said this was his primary account and the funds in it were needed to care for him and his family, and for his business. Mr A also says he went into branch and TSB refused to allow him to withdraw funds. TSB say they told him he could withdraw salary and benefit payments during a phone call.

During the time Mr A's complaint was with our service TSB offered him £250 compensation to settle the complaint. Mr A rejected the offer as he feels he should receive considerably more.

Our investigator found TSB's offer was fair. They said TSB could block Mr A's account to carry out a review, but TSB ought to have contacted him more quickly to ask for proof of entitlement. Instead, they sent him a letter the day the account was blocked, which would have taken some time to arrive. TSB told Mr A he could go to branch to withdraw salary and benefit payments on a phone call in late January 2021. There were no records to show Mr A had gone into branch to attempt a withdrawal, although Mr A insists he did.

TSB agreed with the outcome our investigator reached, but Mr A did not. He maintains he went into branch and was told he couldn't withdraw any funds. As his complaint isn't resolved it has been passed to me to make a final decision in my capacity as an ombudsman.

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 have decided to uphold Mr A's complaint. But I am not awarding him any more compensation than the £250 TSB have already agreed to pay.

TSB have important legal and regulatory obligations to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarized as a responsibility to know its customer and verify their

sources of income, as well as detect and prevent financial crime.

TSB will review accounts to comply with their responsibilities. And, it's common industry practice for firms to restrict access to accounts to conduct a review - doing so helps prevent potential harm that could otherwise result. I appreciate this was Mr A's main account and he says the money in it was needed for necessities, including caring for his family. I was sorry to hear about the trouble he says he experienced. But this doesn't negate TSB's responsibilities and their importance. I'm satisfied TSB were able to block his account and ask him for proof of his entitlement to funds. Mr A said he received HMRC and rent payments in the past and his account wasn't blocked. This may be the case, but it doesn't mean TSB weren't entitled to take the actions they did.

TSB should conduct a review and reach a decision without undue delay. After all, the longer Mr A didn't have access to his funds, the greater the harm and problems he could experience. I am satisfied that on the whole TSB carried out its review pro-actively, but I am not satisfied they contacted Mr A as quickly as they should have. Instead they wrote him a letter to request information from him.

Considering the impact blocking an account can have, as a matter of good industry practice I would have expected TSB to contact Mr A by a quicker method, such as email, text or by phone. It's quite possible if they had contacted him by quicker means their review might have completed earlier than it did, which in turn might have lessened the distress and inconvenience Mr A says he experienced. I find £250 is a reasonable sum to make up for this. I am not awarding a larger sum because ultimately Mr A's account would have still been blocked for a period of time that would have caused him much of the distress and inconvenience he says he experienced.

Mr A says he went into branch to try and withdraw money but couldn't. And having listened to the call he had with TSB in late January 2021 he was told he could withdraw salary and benefit payments. But TSB have no record of him attending a branch to attempt a withdrawal. It's possible what Mr A is saying is correct, but without further information to support his version of events, I am unable to make a reliable finding that TSB made a further failing in branch. So, I am not directing TSB to pay him further compensation.

Putting things right

Subject to Mr A accepting my decision, I direct TSB Bank Plc to pay him £250 unless this has already been paid.

My final decision

I have decided to uphold Mr A's complaint. TSB Bank Plc should pay Mr A compensation according to my above direction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or

reject my decision before 23 December 2022.

Liam King
Ombudsman