

## **The complaint**

Ms A complains that TSB Bank plc unfairly restricted and closed her accounts.

## **What happened**

Ms A is the owner and director of a company, which I'll refer to as "M". Both Ms A and M banked with TSB. Ms A held a current account and savings account with the bank.

M obtained a Bounce Back Loan from TSB in May 2020. TSB undertook a review of its relationship with both the company and Ms A in her personal capacity in April 2021, in light of concerns as to M's eligibility for the Bounce Back Loan it had obtained and the way the funds were being used. The bank restricted Ms A's access to her accounts while it carried out its review.

TSB concluded that M hadn't been eligible for the loan it had obtained and thought it had misused the loan funds. The findings of the bank's review also led it to end its relationship with Ms A as a personal customer. It closed Ms A's accounts with immediate effect on 15 June 2021.

As TSB considered M's application to have been fraudulent and the loan facility to have been misused, it registered information to this effect on the database administered by Cifas (a fraud prevention agency). These filings were recorded in Ms A's own name, rather than that of M.

Ms A doesn't think TSB treated her fairly. She doesn't think that TSB had legitimate grounds to have taken the action that it did against M and therefore against her personally, including the registration of information with Cifas. And she says that TSB rejected a number of scheduled payments from her account while it was conducting the review, which was against its terms and conditions and that meant she incurred additional charges for the unpaid transactions.

This complaint only deals with the actions that TSB took in respect of Ms A's personal accounts, with a separate complaint having been brought by M.

## **My provisional decision**

I sent a provisional decision to both parties last month, explaining why I didn't intend to uphold the complaint. I said:

TSB was entitled to review its relationship with Ms A, and the terms and conditions of her accounts allowed the bank to restrict her use of them while this was completed. I think it was reasonable for the bank to do so in the circumstances here, primarily because I've found – under the separate but related complaint from M about TSB's actions in respect of the company's accounts – that the bank had valid concerns as to M's entitlement to the loan and use of the funds.

I understand Ms A's primary concern with the review and restriction of her personal accounts is that the bank declined to honour some scheduled payments (i.e. direct debits and standing orders) despite their being sufficient funds to cover them. She says that wasn't permitted under the terms and conditions. But I don't agree with that. The terms and conditions gave TSB the power to refuse to make a payment in certain circumstances. Given what I consider were legitimate concerns around the Bounce Back Loan, I think the bank was entitled to do so here.

Following its review, TSB decided to end its relationship with Ms A. That was a decision it was entitled to make. The terms and conditions of Ms A's accounts allowed for their immediate closure, and I think it was reasonable for TSB to exercise that power in the circumstances here for the reasons I've explained above.

Lastly, I understand that Ms A is unhappy with the information that TSB recorded against her name with Cifas. I'm afraid that aspect of her complaint falls outside of our jurisdiction and so isn't something we can investigate. In the simplest terms, that is because:

- Under the rules we operate (the "DISP" rules, which can be found online at (<https://www.handbook.fca.org.uk/handbook/DISP/>), we can only consider complaints brought by or on behalf of an "eligible complainant".
- To be an eligible complainant, a person must fall within at least one of the seven categories set out in DISP 2.7.3R. The only ones of relevance here are "consumer", "micro-enterprise" and "small business".
- Ms A doesn't meet the definition of a consumer for the purposes of this aspect of her complaint. That's because our rules define a consumer as someone who is acting for purposes "*wholly or mainly outside [their] trade, business, craft or profession*". As this aspect of the complaint arises out of Ms A's affairs in her role as M's company director, she wasn't acting outside of her trade, business, craft or profession.
- Ms A doesn't meet the definition of a micro-enterprise or a small business as she isn't an enterprise. While she is M's director, it is M that is the enterprise rather than Ms A herself.

Neither party responded, although Ms A – in her capacity as M's director – did respond to reject the provisional decision I issued on the connected complaint brought on behalf of her company.

### **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 see no reason to depart from my provisional decision. I've not reached a different decision on the related complaint brought by M, so it follows that I still think TSB was entitled to take the actions that it did in respect of Ms A's accounts.

With no new information or evidence for me to take into account, this final decision simply confirms my provisional findings as set out above.

**My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 30 March 2023.

Ben Jennings  
**Ombudsman**