

The complaint

Mr C is unhappy that Tandem Bank Limited placed restrictions on his account, which Mr C believes were unlawful.

What happened

Mr C was asked by Tandem to provide evidence to confirm that funds received into his account came from the sale of a property as he'd declared. Mr C provided sufficient source-of-funds evidence to Tandem that same day, but this information wasn't forwarded by Tandem's staff to the correct department. This meant that Tandem believed Mr C hadn't in fact provided the evidence they'd requested, which eventually resulted in Tandem restricting Mr C's account. Mr C wasn't happy about this and felt that Tandem had acted unlawfully in restricting his account as they had. So, he raised a complaint.

Tandem looked at Mr C's complaint. They accepted that an error by their staff in not forwarding the evidence Mr C had provided had led to them restricting Mr C's account when they shouldn't have. Tandem apologised to Mr C for this and made a payment of £150 to him as compensation for any trouble or upset he may have incurred. Tandem later paid a further £40.23 to Mr C for potential loss of interest Mr C may have incurred through not being able to access his funds and move them to another financial services provider. Mr C wasn't satisfied with Tandem's response and continued to feel that Tandem's actions were unlawful. So, he referred his complaint to this service.

One of our investigators looked at this complaint. They felt that Tandem's acceptance of their error and explanation as to why it had occurred were reasonable, but they felt that Tandem should pay a further £150 to Mr C for the trouble and inconvenience that this matter had caused. Mr C remained dissatisfied, so the matter was escalated to an ombudsman for 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.

I issued a provisional decision on this complaint on 1 March 2023 as follows:

I note that Mr C's complaint here appears to centre on his belief that Tandem have acted unlawfully by restricting his account as they did.

Accordingly, I feel it's important to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that Tandem have acted in a non-regulatory or an unlawful way. Such declarations would be for a regulatory body or a Court of Law to potentially make.

Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our

remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective and taking all the circumstances and factors of a complaint into consideration.

This means that the question that guides my review here isn't whether Tandem have acted unlawfully by restricting Mr C's account – which as explained, is a question which sits outside my remit to consider – but rather whether I feel it was fair for Tandem to have restricted Mr C's account as they did.

Tandem have explained that the reason they restricted Mr T's account was because the source-of-funds evidence that Mr T had provided hadn't been forwarded to their correct department, which meant that they effectively believed that Mr T hadn't provided the source-of-funds evidence requested from him. Consequently, Tandem felt that, in the absence of this requested information, its regulatory obligations meant that the restricting of Mr C's account until that information was provided to them was appropriate.

As explained, it isn't within my remit here to say whether Tandem's interpretation of its regulatory obligations here was correct. But from a fairness perspective, given that Tandem believed it hadn't received the source-of-funds information from Mr C, it does seem reasonable to me that Tandem would then take the step to restrict Mr C's account as it did. And it must be noted that Tandem took this step only after unsuccessfully attempting to contact Mr C to chase the source-of-funds information on several occasions.

However, while I'm satisfied that Tandem acted with a fair rationale when restricting Mr C's account, the fact remains that Mr C had already supplied the source-of-funds information to them as requested, and that a staff error meant this information wasn't forwarded to the correct department as it should have been. Tandem don't dispute this, and they've apologised to Mr C for it.

Mr C is also unhappy that Tandem didn't respond to a series of emails he sent to Tandem between 10 and 24 February 2022. Tandem accept that these emails were received and not responded to, and again they've apologised to Mr C for this.

In their response to Mr C's complaint, having acknowledged and apologised for their errors, Tandem arranged to make a payment of £150 to Mr C as compensation for any upset and inconvenience these matters may have caused. Tandem also paid Mr C a further £40.23 to cover any loss of interest Mr C may have incurred through his not being able to move the funds in his Tandem account during the time the account was restricted.

These compensation amounts seem fair to me, given what happened here and the impact of these events on Mr C, and I can confirm that these amounts are commensurate with what I may have instructed Tandem to pay, had they not already done so. I also note that Mr C has confirmed himself to this service that he considers the trouble and upset aspect of his complaint to have been resolved by Tandem's response to his complaint.

All of which means that I feel that the response to Mr C's complaint issued by Tandem, including the apologies and the payments referred to above, already represents a fair and reasonable resolution to what happened here – as considered within the remit of this service.

And given that, as explained above, the issue of whether Tandem acted unlawfully in

restricting Mr C's account isn't one which sits within my remit to consider, it follows that my provisional decision here will be that I won't be instructing Tandem to take any further action, which in turn means that I won't be upholding this complaint.

Both Mr C and Tandem responded to my provisional decision and neither party raised any objections to it.

As such, I see no reason not to issue a final decision here on the same non-uphold basis as I've described above.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 2 May 2023.

Paul Cooper
Ombudsman