

## **The complaint**

Miss W complains that TSB Bank plc (TSB) blocked a payment from her account.

## **What happened**

On 14 December 2022, at 18.02, Miss W tried to make an online payment for £2,864 to a builder who had completed work for her. TSB stopped the payment and blocked her account, pending contact with Miss W. TSB sent a text to ask Miss W to get in touch.

At 18.25, Miss W called TSB. TSB unblocked her account but declined to make the payment. At 20.01, Miss W made a payment to her partner for the same amount.

Miss W complained. She said it was her money and TSB had no right to stop the payment. She said it was bad advice to suggest she should go to a branch and draw out cash – that was a security risk. She couldn't see how her partner could then make the same payment from his TSB account, later on. She said she felt humiliated and embarrassed for what she was put through by TSB.

TSB said they followed strict rules to prevent fraud, and make sure customers are protected. They couldn't tell Miss W why the payment wasn't made, as that was information they couldn't disclose. TSB said there was a balance to be struck between allowing unrestricted access to customers' money and making sure it stayed safe.

Miss W brought her complaint to us. Our investigator upheld it as:

- He considered Miss W answered all the questions put by TSB's advisor satisfactorily.
- The payment was blocked because the call handler couldn't find the beneficiary online.
- He didn't think the adviser had good reason to stop the payment.
- The adviser's attitude was poor and he wasn't supportive or sympathetic to Miss W.
- He thought it wasn't sensible to advise her to withdraw cash, given the security risk.
- He said TSB should pay compensation of £100.

TSB didn't agree. They said:

- They have processes and checks in place to prevent fraud. The payment had the characteristics of a scam transaction, for example a possible rogue trader scam.
- The terms and conditions say they can stop payments.
- They didn't advise Miss W to draw cash – in fact, she raised that first. The adviser went on to suggest other ways of making payment – e.g. from her partner's account, which was what then happened – later that evening.

Because TSB disagreed, Miss W's complaint has come to me to make 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.

At the outset, let me say - it's an unfortunate fact that fraud and related crime is increasing and firms such as TSB (and other banks) have security processes in place to check certain payments. This is to protect both customers and the firms involved. The choice of which payments to block and check is a matter for each firm to decide – it is a complicated algorithm, to which we (and any other external party) have no knowledge of.

I reviewed TSB's terms and conditions, and they do give TSB the right to not make a payment if they suspect there is a fraud risk.

And – that's what happened here. While I accept that Miss W answered the questions effectively, the transaction was blocked by the 'flags' within TSB's system – and that's not something we can contest or overturn. What that means is that Miss W was inconvenienced and frustrated – which was unfortunate. But in the other hand, she was, I understand, able to make the payment to her builder via her partner's account later that evening, so the matter was resolved quickly.

Miss W has asked why her partner was allowed to pay the builder from his own TSB account – and for the same reasons, I can't say why that was – simply that it passed TSB's checks.

But having said that – while I am not disagreeing with TSB's decision to decline Miss W's payment, I did find the call handler to be less than empathetic. I say that as:

- He simply stated: "*we have the right to block payments*".
- He went into the questioning of Miss W about the payment without explaining why he wanted to ask questions (e.g. to verify the authenticity of the payment).
- As a result, I can see why Miss W became frustrated and a little defensive with her answers.
- While he didn't advise Miss W to withdraw cash, he did mention it as one way to pay the builder – which did present a risk to her.

So, in summary, while I do not disagree with TSB's decision to decline the payment, I agree with our investigator that the service and empathy shown by the call handler warrants a payment of compensation of £100. **(continued)**

## **My final decision**

I uphold this complaint. TSB Bank plc must:

- Pay compensation of £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 19 September 2023.

Martin Lord

**Ombudsman**