

The complaint

Mrs B is unhappy that TSB Bank plc placed blocks on her account when she tried to make payments using online banking. She also feels her complaint was handled poorly.

What happened

On 4 July 2022, Mrs B attempted to make a payment of £18,000 from her TSB account into her account with a different provider, but it was stopped. Mrs B spoke to TSB and the block from her account was removed. She was told to make the payment again.

Mrs B tried to make the payment again the same day, but this was also stopped. Unhappy with this, Mrs B says she tried to call TSB, but their fraud department was closed. So, she spoke to them the following day. She asked TSB to allow her to make the payment and to raise a complaint about her account being blocked twice.

TSB removed the block from Mrs B's account and the transaction was successfully completed on 5 July 2022. Mrs B says she was told that a complaint had been logged. A few days later, she received a letter from TSB which she felt shocked and surprised by, as it stated that they were pleased they had been able to put things right for her and that she was happy for them to close her complaint.

Mrs B emailed TSB explaining this wasn't true as she didn't say she was happy or agree to her complaint to be closed. She also felt that her complaint wasn't investigated. She provided them with the details of what had happened and explained that she wanted to claim the interest she lost of £1.36 due to the delay in the payment being completed. Mrs B also said that she wanted compensation as TSB hadn't dealt with her complaint effectively and in an appropriate time, and for the stress and worry she was caused. She also asked for an explanation for why her account was blocked twice and why TSB had closed her complaint without checking if she was happy with the outcome.

TSB acknowledged Mrs B's concerns and agreed to review her complaint. They said they hoped to put things right for Mrs B and reach a satisfactory conclusion, but they highlighted that their previous letter explained that she could refer her complaint to our service if she remained unhappy with their decision.

Mrs B says she sent TSB an email chasing a response when she didn't hear from them. She then referred her complaint to our service as she still hadn't received a reply.

TSB explained that the blocks were placed as part of their security process to help protect their customers' account from potential fraud and no bank error was made. They said that their adviser explained this to Mrs B on 5 July 2022 and offered to consider any loss of interest. They gave Mrs B an email address to send evidence of the interest she'd lost. They said they closed Mrs B's complaint and sent her a summary resolution letter.

They said they reopened Mrs B's complaint as she felt her concerns hadn't been investigated. But since they'd already provided a final response letter, they didn't have any

set timescales to review the complaint and send out a further response. They explained they hadn't had an opportunity to do this at the time the complaint was referred to us.

They reiterated that to keep their customers' accounts safe, and to assist with detecting fraud, they use a system that tries to identify if a transaction could be potentially fraudulent. The security feature in place can be triggered at any time, and they have no way of knowing when or what payments will be affected.

Our investigator said that TSB had made an error in stopping the payment Mrs B made the second time, as she'd already spoken to them after the initial attempt and confirmed her payment was genuine. He thought that TSB could've helped Mrs B make the payment the first time she called, and the delays caused her a loss of interest. He also thought TSB hadn't done enough to investigate Mrs B's complaint and made an error in closing it. He asked TSB to refund the loss of interest of £1.36 but didn't feel that TSB should pay compensation as the payment was made the following day and this didn't have a significant impact on Mrs B.

TSB responded to the investigators view and agreed to pay £1.36 loss of interest. But they said Mrs B didn't provide evidence of loss of interest for them to consider and if she had, they would've covered this for her.

They said they'd listened to the calls of 4 July and 5 July 2022 and made the following comments:

- During the first call of 4 July 2022, they confirmed to Mr B (who was speaking to TSB on behalf of Mrs B at the time) that the block had been removed and the payment should be made again. They said their adviser was saying 'that should' but Mr B interrupted, and the call ended. They explained that in this scenario, after they had unblocked an account following a security check, they advise their customer that they should be able to make the payment again but also manage their expectations that the security feature could activate again and stop the payment for a second time. They said it was reasonable to believe they would've told Mr B this before he interrupted, and the call finished.
- On the second call of 5 July 2022, their adviser confirmed that no bank error had been made with the payment being stopped for the second time on 4 July 2022. Their adviser confirmed the email address for Mrs B to put in a claim for loss of interest. Their adviser explained they'd send a letter confirming the complaint had been registered and giving them rights to refer the matter to our service if she remained unhappy. They explained that if Mrs B had said during the call that she remained unhappy, then they would've escalated the complaint to their Customer Relations Department, but the outcome would've been the same as no error was made with the second payment being stopped.

Mrs B disagreed with our investigator and asked for an ombudsman to review her complaint. She said that TSB have been let off the hook and felt very let down. She believes TSB have acted in a very unprofessional manner and without regard to their customers. She explained the call was cut short by TSB and not her. She said she'd sent TSB numerous emails telling them she was unhappy with the way they'd behaved towards her, but they didn't reply to her. She also said that TSB knew she was unhappy and wanted to make a complaint as they sent her a letter telling her they'd closed her complaint.

My provisional decision

I issued a provisional decision on 30 March 2023, and I made the following findings:

“TSB are required to take reasonable steps to protect their customers from fraud and scams. They might be held liable for any foreseeable losses, if they breach their duty of care. Most financial institutions, including TSB, use common tools such as automated security systems to meet these obligations.

I've looked at TSB's records and I'm satisfied that a security check was triggered on the initial transaction Mrs B attempted. I don't think this was unreasonable given that the transaction was for a large amount, particularly when considering that funds were paid into the account the same day and Mrs B had made another large transaction a week before.

I appreciate why it may seem to Mrs B that TSB didn't unblock her account after she'd spoken to them on 4 July 2022 as the second transaction was for the same amount and details as the initial one.

However, I've looked at TSB's reasons for stopping the second payment. I can't share the specific details as this information is confidential and commercially sensitive, but I can reassure Mrs B that there was a second security alert and TSB had a legitimate reason to block her account.

The very nature of these types of security checks means that consumers may be caused some distress and inconvenience. But this doesn't mean TSB shouldn't carry out additional checks. Having looked at why TSB placed blocks on Mrs B's account, I don't think they've acted unfairly or unreasonably. By doing so, TSB were able to confirm that the transactions were genuine and may have been alerted to potential financial crime.

Since I don't think TSB did anything wrong in stopping both the payments, I don't think they should be responsible for the loss of interest Mrs B says she suffered as a result of the one-day delay. So, I won't be asking TSB to reimburse Mrs B for the interest she says she's lost. But given that it's a nominal amount, TSB may wish to refund this, if they choose to do so

Turning to the point of the customer service issues Mrs B has raised, I've listened to the relevant phone calls. Mr B spoke to TSB for majority of the time, on behalf of Mrs B. But overall, I think TSB gave Mrs B poor service. I'll explain why.

I've summarised the relevant part of the call of 4 July 2022 – the adviser told Mr B that the blocks were removed and asked if there was anything else she could help him with. Mr B asked if he should make the payment again and the adviser confirmed that was correct as the blocks would've stopped the payment from going through. Mr B said he hoped that the payment would go through now and thanked the adviser. The adviser responded with 'that should' and asked if there was anything else. Following this Mr B said thank you and the call ended.

Based on TSB's own testimony, their adviser should've managed Mr B's expectation on behalf of Mrs B, by advising him that the security feature could activate again and stop the payment the second time. They say it didn't happen on this call because Mr B interrupted the adviser after she said, 'that should' and the call ended.

As I've detailed in my summary above, the adviser asked Mr B if there was anything else twice, so I don't agree that the adviser didn't have an opportunity to manage Mr B's expectations, nor that Mr B interrupted the adviser from finishing her sentence. I

think TSB should've clearly explained the next steps to Mr B, which would've lessened the frustration and annoyance caused to Mrs B when the second payment was also stopped.

And if this information was given to Mr B at the time, he would've had the option of asking TSB for more help with completing the payment to avoid having to call again, particularly since Mrs B has explained she struggles with completing verification checks over the phone.

Given that TSB were aware that the second payment could also be stopped, I think they could've done more to help Mrs B. For example, during the second call with TSB on 5 July 2022, the adviser waited on the call while Mr B made the transaction successfully. Alternatively, TSB could've offered to make the payment on the call.

TSB have highlighted that they don't think offering to make the payment on the call of 4 July 2022 was the right thing to do, especially given the high value of the transaction. They've explained that the payment was being made from Mrs B's sole account and Mr B didn't hold any type of third party or power of attorney authority. They said it was clear from the calls that Mrs B wasn't confident talking about the matter on the phone and she told them that Mr B managed the finances. They pointed out that when Mrs B spoke on the phone, she was asking Mr B questions in the background. They believed that Mr B keyed in Mrs B's details prior to being transferred to their advisers and he also did majority of the talking.

I'm afraid I think TSB have provided this explanation retrospectively and I'm not persuaded that they had genuine safeguarding concerns around Mrs B at the time. If that were the case, I wouldn't have expected TSB to have removed the blocks from Mrs B's account during the call of 4 July 2022 and would've reasonably expected them to do more to protect Mrs B.

I think this is also evidenced by the fact that TSB didn't do anything differently when they clearly knew during the call of 5 July 2022, that Mr B had completed the second payment presumably using Mrs B's online banking details while the adviser waited on the call.

I also think TSB should've been clearer with Mrs B (Mr B on her behalf) on the call of 5 July 2022 regarding her complaint. I agree the adviser apologised, gave an explanation for why there was no bank error and addressed the concerns Mrs B raised about the loss of interest.

However, the adviser said a few times that the complaint was logged/registered. There wasn't sufficient information provided on the call to make it clear that TSB considered the matter to be resolved and that they'd be closing the complaint. So, I don't think it's unreasonable that Mrs B left with the impression that the complaint would be investigated.

TSB have said that if Mrs B had informed them during the call that she was still unhappy, they'd have escalated the matter to their Customer Relations Department. I don't think Mrs B indicated in the call that she was happy that her complaint was resolved, and the adviser didn't check this with her either. There wasn't anything mentioned during the call by the adviser which indicated that TSB considered the matter resolved. So, I wouldn't have expected Mrs B to say that she remained unhappy.

I think the onus was on TSB to check that Mrs B was happy with the outcome offered, and to let her know they'd be closing her complaint even if she didn't agree with the answer they'd given. So, I can understand the shock and surprise Mrs B experienced when she received TSB's letter of 5 July 2022, which said they were pleased they had been able to put things right for her and that she was happy for them to close her complaint

I appreciate TSB had given Mrs B information about how to refer her complaint to our service in their letter of 5 July 2022. But I'd still have expected them to respond to Mrs B's concerns as they'd agreed to do in their letter of 4 August 2022.

I understand that TSB hadn't had the opportunity to assign the complaint to a case handler before the matter was referred to our service. However, Mrs B didn't raise her complaint to us until 28 September 2022. And TSB didn't send any further updates about the delays in responding to her, or even let her know that they wouldn't be providing a response as we were now looking into the complaint. I can understand the frustration and annoyance Mrs B was caused by the lack of communication here.

Mrs B has pointed out that TSB haven't responded to her emails. She has sent us a copy of her email of 4 August 2022 which I can see TSB acknowledged the same day. She has also provided us with the details of her email of 7 September 2022. However, TSB's records show they didn't receive this email which likely explains why she didn't receive a response.

Putting things right

While Mrs B's funds payment was successfully made the following day, I think there were a number of customer service issues which have had an impact on Mrs B. Individually, these weren't serious or more than the normal nuisances you might expect from everyday life. But in having to experience a few issues, I think the impact on Mrs B was compounded.

I've thought about the impact on Mrs B to decide how TSB should put things right here. I've taken into account that majority of the phone calls were dealt with by Mr B, and Mrs B spent minimal amount of time on the phone. I've also considered about the inconvenience caused by the emails she sent to TSB. But I don't think the impact she was caused by these were significant. I agree she was caused some unnecessary distress, frustration and annoyance by the customer service she received.

It's also important for me to explain that I can't award any compensation for the impact caused to Mr B here, as he's not the eligible complainant.

Taking all these factors into account, I think that a fair way to resolve this complaint is for TSB to pay Mrs B £50 compensation in recognition of the distress and inconvenience she was caused."

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.

Both Mrs B and TSB responded to my provisional decision confirming their acceptance.

Since there isn't any further information or evidence for me to consider, I'm satisfied with the findings I reached, and I see no reason to deviate from the outcome I explained in my provisional decision.

My final decision

For the reasons explained above, my final decision is that TSB Bank plc should pay Mrs B £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 17 May 2023.

Ash Weedon
Ombudsman