

The complaint

Mr C complains about the service he received from TSB Bank PLC when it blocked the transfer of funds from his current account

What happened

Mr C held a savings account with a third-party business. That business had informed Mr C that his account would be closed, and the funds were transferred to Mr C's TSB current account on 21 September 2022.

On 22 September 2022, Mr C spoke to TSB by telephone and tried to transfer some of this money out of his TSB account to an account for another business. TSB then blocked transfers from Mr C's account. It said it needed to verify his identity before the account could be unblocked. However, Mr C did not have online access and his nearest TSB branch was 120 miles away. TSB then said that it would send a security code and it asked Mr C to call it when he received that code so the account could be unblocked.

On 28 September 2022, Mr C received the security code and TSB said that the block on Mr C's account had been lifted. It appears Mr C attempted the same transfer again on 5 October 2022, which was again blocked by TSB. After TSB confirmed the transfer was genuine, it reinstated Mr C's access and he made some smaller transfers from his account shortly afterwards.

On 12 October 2022, Mr C tried to make a further transfer, which was blocked again. TSB then said it required him to visit a branch to provide photo identification. It appears TSB may have offered the option for Mr C to send his identification, but it recorded that he told them to leave it and he would switch banks. Mr C said that whilst speaking to TSB's fraud team, it said it would send the police to his home to check his identity.

On 13 October 2022, Mr C appears to have telephoned his nearest TSB branch. TSB's records say he was told it may be possible to send a picture of him holding his passport as an alternative to attending branch to verify his identity. It appears TSB then ordered a new telephone security code in order that his identity could be verified by telephone.

On 15 October 2022, TSB logged that Mr C has a health condition and that he was unable to visit a branch due to the distance involved. TSB also recorded that he did not have online access. The transfer block was removed on 19 October 2022 and Mr C was assured that he would not need to attend a branch.

Mr C did not attempt any further transfers until 11 November 2022 when he tried to move funds from TSB current account to his TSB savings account. The transaction was blocked by TSB again. Mr C then contacted TSB by telephone and it appears he was told he needed to visit his nearest branch and provide identification.

Mr C was unable to travel to a TSB branch alone. He arranged for a family member to drive him approximately 120 miles to the branch. TSB says that the block on the account was then removed and Mr C was able to transfer funds from his current account to his savings

account. Mr C says that when he arrived at branch, the fraud team refused to lift the block on the account, but the branch manager moved the funds of his own volition.

Our investigator didn't think the complaint should be upheld. Mr C did not agree with that view and so the matter was passed to me for an ombudsman's decision.

I asked our investigator to find out whether there was an alternative way in which Mr C would have verified his identity. TSB said it would have been possible for Mr C to do so electronically. It further said that this option was notified to Mr C on 13 October 2022 and again in the final response letter of 18 October 2022. TSB said sending a further telephone security code in November 2022 would not have allowed Mr C to complete the full identification process.

I issued a provisional decision in this case. I said:

"As things stand, I intend to uphold Mr C's complaint. I'll explain why.

TSB effectively blocked Mr C transferring money because it was concerned his account had been subject to fraud. I've looked at the terms and conditions that apply in this case and I am satisfied that TSB was entitled to stop the payments if it reasonably thought fraud may be happening on Mr C's account.

If TSB did suspect fraud, I'd expect it to take action to try and keep Mr C's account safe and protect it from fraudulent transactions. At times, genuine transactions can be blocked, which can cause some inconvenience to an account holder. But that doesn't mean that TSB would have done anything wrong if it incorrectly identified a genuine transaction as potentially fraudulent.

Similarly, if TSB had concerns about whether the person operating the account was genuinely Mr C, I don't think it was unreasonable for it to request information as to his identity. So, overall, in stopping the transactions, I'm satisfied TSB acted within its terms and conditions. I'm also satisfied it was reasonable for TSB to request further evidence of Mr C's identity.

However, my provisional view is that it was unreasonable to expect Mr C to travel to a branch in November 2022 without considering whether he could verify his identity in a different way. I say this because TSB said it was possible for Mr C to verify his identity electronically and without the need for him to travel to a branch. I note that Mr C had been assured in October 2022 that he would not need to attend in person.

I haven't been provided with a call recording of what Mr C was told on 11 November 2022. However, TSB accepts that it told Mr C he needed to attend a branch. The evidence I've been provided with doesn't suggest that he was given an option to verify his documentation electronically or in any other way in November 2022.

TSB said Mr C was told in October 2022 that he could verify electronically. However, that appeared to have been in response to the second block that was applied to his account. I cannot see how Mr C could have electronically verified his documentation off his own back in November 2022 unless TSB had provided the means to do so. Whilst some reference had been made to alternative verification in October 2022, the evidence I've seen doesn't suggest this was realistically presented as an option in November 2022.

Moreover, I haven't seen anything to suggest that Mr C was made aware of what electronically verifying his documentation actually entailed. For example, Mr C

informed TSB that he did not have a smart 'phone, although I can see he had some help from family members. Mr C appeared to believe that if he enlisted the assistance of a family member to verify his documents electronically, that his financial information would be disclosed to that family member. My understanding is that this would not have been the case.

In summary, my provisional view is that TSB knew Mr C was potentially vulnerable. It had been made aware that travelling a very significant distance to a branch would have been difficult because of his health concerns. I currently think it would have been fair for TSB to further explore whether Mr C could have verified his identity electronically or in some other way, and to have been clear with him as to what that entailed. Mr C had been clear about the difficulties he had travelling and so I would have expected TSB to consider and convey alternative options carefully and fully. I appreciate TSB had concerns about fraud, but it would have been reasonable to have balanced those concerns with what it knew about Mr C's health. The evidence I've seen doesn't suggest this happened.

I understand Mr C had concerns about TSB saying that the police would be sent to his home and that it was only through the actions of the branch manager that the block was lifted from his account in November 2022. TSB says that only the fraud team would have been able to lift the block from the account and that it did not say it would send the police to his home to verify his identity.

I wasn't there when Mr C had these conversations, so I can't say exactly what was said. But I accept that what Mr C told us is what he genuinely recalls about these conversations. On that basis, if TSB hadn't told Mr C it would send the police to his home, it seems to me that its communication with him could have been clearer on that point. I can see how the prospect of a police visit could have caused someone in Mr C's position some concern.

With all of this in mind, I'm provisionally satisfied that, in the absence of TSB considering alternative options in this case, Mr C was put to some inconvenience in that he had to make an approximate 240-mile roundtrip to his nearest TSB branch. This would have been inconvenient for anyone, but I provisionally find that the inconvenience to Mr C was compounded by the difficulties he had travelling because of his health. Mr C also incurred costs in travelling, which I understand to have been around £40 altogether.

On that basis and as things stand, my provisional view is that the fair and reasonable outcome in this complaint is for TSB to pay £200 to Mr C to put things right in this case."

I asked the parties to provide me with any further information or evidence they wanted me to consider before I issued a final decision. Mr C responded to say that over the course of his complaint, TSB hadn't replied to his correspondence. He did not think his transactions would have given TSB a reasonable suspicion of fraud in any event.

TSB said that Mr C had been given an option to take a picture of himself holding his ID documents back in October 2022. It said he had been given the number of the fraud team and that he had not called this team for further guidance.

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'm not persuaded to depart from my provisional findings. So for the reasons set out in my provisional decision, TSB must pay £200 to Mr C for the costs he incurred in travelling to his branch and for the inconvenience he was put to that day.

As I set out above, TSB said that Mr C had been presented with the option of sending a photograph of his ID back in October 2022. However, as I said in my provisional decision, the issue here is that he appears to have been told after that date in October that he needed to attend a branch. If no alternative to visiting a branch was offered to him in November 2022, I cannot see how he could have realistically presented his documents in any other way at that stage. As I said in my provisional decision, he could not upload or send documents unless TSB had provided the relevant instructions.

TSB also said it was open to Mr C to have called its fraud team for further guidance. However, he appears to have been specifically told he needed to visit a branch. I think the onus should have been on TSB – not Mr C – to find an alternative in these circumstances.

In his response, Mr C said TSB had not responded to his written correspondence. It looks as though by the time he sent his letters, Mr C had already complained to this service. I can see why Mr C may feel dismayed about the lack of response from TSB. But I don't think he's lost out because of that.

With all of this in mind and for the reasons set out in my provisional decision, I have upheld this complaint and require TSB to put things right for Mr C.

Putting things right

TSB must arrange to pay £200 to Mr C.

My final decision

I have upheld Mr C's complaint and require TSB Bank PLC to put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 June 2023.

Nicola Bowes
Ombudsman