

The complaint

Mr H complains that TSB Bank plc keep blocking his payments and they have provided him with poor customer service.

What happened

Mr H has attempted to make several faster payments online over a period of months, but these are often blocked by TSB, even if some of these payments are to himself. He says he needs to ring them to unblock the payments, but this can be costly as he is sometimes overseas when he tries to ring them, and his call is sometimes disconnected. Mr H has said he is often passed from one department to another and has faced long call times. He says that even when a payment is unblocked, a new payment could be blocked again, which causes him to have to repeat the process of having to remove the block again.

Mr H says he has been asked to provide identification through TSB's mobile application, even though he did not have access to this. Mr H has said that the blocks have caused him to miss out on things such as a house purchase and buying a car. Mr H made a complaint to TSB, and he said a complaint could only be made over the phone as there was no way to complain on their website.

TSB partially upheld Mr H's complaint and they credited £30 to his account. TSB said it is part of their terms and conditions that they will sometimes complete extra security checks. They apologised for the call wait times to speak to their fraud department and they said they were recruiting more staff to reduce the wait times. TSB said they were unable to give Mr H the reason why the transactions were blocked because they must maintain the effectiveness of their security measures. Mr H brought his complaint to our service.

Before our investigator issued his view of Mr H's complaint, TSB offered to increase the compensation by an extra £120 and to pay Mr H £50 for his call costs (or if he could provide his itemised billing showing more costs then they would be able to consider this).

Our investigator thought that the extra £120 compensation for distress and inconvenience and £50 for phone costs was fair. He said he didn't think that TSB made an error in declining the transfers that Mr H was trying to make, as they were following their processes and the terms of the account. He said TSB failed to respond to some letters and correspondence Mr H had sent them about the problems he faced. Our investigator said TSB explained to Mr H that to remove the blocks he would need to speak to them, but he could see Mr H refused to do this, so he couldn't say that TSB made errors in keeping the account blocked as he couldn't see that Mr H contacted TSB until later.

Mr H asked for an ombudsman to review his complaint. He made a number of points. In summary, he said the compensation offered does not cover the cost of his calls, the cost of his time wasted, the loss of interest from investments, and the impact on his life that this had on him and the stress this caused him. He said he was unable to provide actual physical proof for most of these items. Mr H said that this whole scenario has been caused by failures or inadequate programming in TSB's systems and there are inadequate checks and balances built in to safeguard clients.

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.

Firstly, I'm aware that I've only summarised Mr H's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I must make it clear to Mr H that it is not within this service's remit to tell a business how they should operate their security procedures, such as what questions they should ask Mr H, when they should block a transaction, and what type of accounts they should block payments to – even if they are in the same name of their customer. It is also not within our service's remit to tell a business what systems they should use or how these should be operated. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct TSB to make changes to their policies and procedures, if necessary.

TSB's personal banking terms set out how they can refuse to make a payment. As they had concerns about several payments Mr H was trying to make, they took measures to block these payments from completing. Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent them from being victims of fraud and scams. Sometimes they identify and block legitimate payments due to security concerns. This can cause distress and inconvenience to a customer – but it doesn't necessarily mean they have acted incorrectly.

TSB's security procedures mean that Mr H would have to give them a call to complete their security process. And if Mr H was unable to answer all of the questions, then TSB may ask him to provide further identification via another method, for example such as uploading identification to a mobile application, a computer or to visit a branch. Our service is unable to stipulate to TSB how they should verify they are speaking to a genuine customer. They are not obliged to divulge the reason for these blocks to Mr H as this could breach security protocols and help people circumvent their fraud prevention systems. So while I know it's been very stressful and upsetting for Mr H to have to contact TSB each time a payment is blocked, I can't say TSB have made an error in following their security processes here.

I've considered what Mr H has said that the only way to complain to TSB is over the phone. But their website does show other ways that Mr H could complain to them if he didn't have access to the TSB mobile application, such as using their online form, at a TSB branch, or by writing to them. So if Mr H has further issues with TSB that he wants to make a complaint to TSB about, he can rest assured that there are other options apart from ringing them, to make a complaint to TSB.

I've considered what Mr H has said about the impact of the blocks on him meaning that he was unable to buy things like a house and a car. But by Mr H's own admission, due to the experience he had previously, he refused to ring TSB until later to remove the block, so Mr H may have been able to mitigate the impact this had on him if he did ring them each time as soon as the payment was blocked. In addition, TSB have confirmed that during this timeframe, his account was not fully blocked, and he could have used other methods to make payments such as telephone banking, visiting a branch and using his debit card. They have told us that while they do have the option to apply a full fraud block, this type had not been applied to Mr H's accounts.

But I'm persuaded there were times when TSB let Mr H down. He's told us (and TSB have not disputed this), that he often has to speak to a number of operators in order to get through to someone who can help him, he has spent many hours on the phone trying to remove the block from the payments he has tried to send, and it appears TSB have not responded to all of his communication they have sent him.

I've considered what would be a fair outcome for this complaint. As Mr H has been unable to provide an itemised phone bill for his call costs, then I'm satisfied that £50 is reasonable for his call costs, as I've not seen any evidence his call costs were higher than this amount. Mr H has spent hours on the phone to TSB and has been passed to different departments and call handlers which would inconvenience him, and this would cause him distress. All of his correspondence has not been responded to also, which would be frustrating. Mr H has told us he wasn't informed of alternative methods to upload his identification, and this had an impact on him as he didn't have access to the TSB mobile application. So I do think the £30 that TSB originally offered him did not reflect the impact that this would have on him.

I'm persuaded that the extra £120 (and £50 for call costs) that TSB have now offered is reasonable for what happened here. I know Mr H wants considerably more compensation than this, but our awards are not designed to punish a business. This compensation is in line for our awards for what happened here, so I follows TSB should put things right for Mr H.

Putting things right

TSB offered to pay Mr H a further £120 for distress and inconvenience and £50 for his call costs. I'm satisfied that this is reasonable in the circumstances.

My final decision

I uphold this complaint in part. TSB Bank plc should pay Mr H an extra £120 for distress and inconvenience and £50 for his call costs.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 6 November 2023.

Gregory Sloanes
Ombudsman