

The complaint

Mr A is unhappy Skipton Building Society (Skipton) didn't allow him to make a withdrawal from his account when requested and then failing to tell him when it had unblocked his account.

What happened

The facts of this complaint are well known to both sides so I will just summarise them below:

Mr A attempted to withdraw money from his account on 22 February 2023, however, he was told his account was blocked so the request couldn't be actioned.

When Mr A complained about this Skipton told him it was acting within its security procedures and statutory obligations.

Mr A has explained the withholding of his funds had a significant impact on him financially. He had to borrow money to pay his bills and then sell a family heirloom watch for less than market value to repay this borrowing. He also had to take time off work to try and sort the matter out. He believes a fair settlement for all of this inconvenience would be £750.

Mr A referred his complaint to this service. During the course of our investigation, Skipton admitted that it should have unblocked Mr A's account on 6 March 2023 but didn't do this until 14 March 2023 and then failed to tell him this until 28 March 2023. It therefore offered to compensate him £350 for this delay in him accessing his funds.

Our investigator upheld the complaint, endorsing the £350 offer made by Skipton. He concluded that Skipton acted in line with its legal and regulatory obligations and account terms and conditions when blocking Mr A's withdrawal. However, he concluded it should have made Mr A aware that his account was unblocked on 6 March 2023 and because it didn't this caused Mr A unnecessary trouble and upset. Our investigator didn't recommend any additional compensation because Mr A had to sell his watch. He concluded this was sold prior to the 6 March 2023 and as the block was not an error at this point, it wouldn't be fair for Skipton to compensate Mr A for this.

Mr A disagreed. He maintains that £750 is a fair amount of compensation for what Skipton put him through, especially when taking into account the money he lost on the rushed sale of his watch.

Because Mr A disagreed, the complaint has been passed to me to decide.

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.

Skipton has a wide range of legal and regulatory obligations it must meet when providing account services to its customers. These obligations are ongoing so don't just apply at

account opening stage. To comply with these obligations, it may need to review accounts and transactions, and place blocks whilst doing so. If Skipton didn't do this, it could risk serious sanction. Skipton should take this action in line with the terms and conditions of the account and its reasons should be legitimate, fair and non-discriminatory.

Skipton isn't under any obligation to reveal to a customer why it has blocked an account. This information is often commercially sensitive. So, I don't think Skipton did anything wrong in not communicating its reasons for blocking the payment and account to Mr A. It has however shared its reasons with this service.

Having reviewed this, I'm satisfied Skipton acted within the terms and conditions and its legal and regulatory obligations, so I don't find it made an error in blocking the payment request. However, any subsequent review should be conducted without any undue delay.

Skipton has said there was a small delay of two days in its actual review process. But looking at this, on balance, I don't think this delay had any material impact on Mr A. However, looking at what happened after this, I do think Skipton caused a more significant and impactful delay to Mr A accessing his money. It should have unblocked the account and told Mr A it had done so once the review was completed on 6 March 2023 – something Skipton has admitted. Instead, it didn't unblock the account until 14 March 2023 and didn't actually tell him it had done this until he happened to call to chase things up himself on 28 March 2023.

I've considered whether Mr A should be compensated for his loss of use of the funds during this time. However, I can see he sold his watch 1 March 2023 to obtain funds, so had mitigated his immediate need for the money in his Skipton account during the period of the delay from 6 March 2023 to 28 March 2023.

In relation to the sale of the watch – whilst I can appreciate Mr A's strength of feeling around this given it was a family heirloom, the watch sale took place on 1 March 2023, during the period of time the account was legitimately blocked. I'm therefore not awarding any compensation in relation to this.

I do however think compensation is warranted for the trouble and upset Mr A experienced during the period of the delay. He was understandably worried about not having access to the large sum in his account and not being able to pay his bills later that month. This could have been avoided had Skipton notified Mr A that his account had in fact been unblocked. But whilst I know it will come as a disappointment to Mr A, I think the £350 Skipton has offered is a fair and reasonable award for this trouble and upset, so I won't be directing it to pay any more than this.

Putting things right

In order to put things right I direct Skipton to do the following:

- Pay Mr A £350 for the trouble and upset caused.

My final decision

My final decision is that I uphold Mr A's complaint against Skipton Building Society and direct it to pay him £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 February 2024.

Sarah Brimacombe
Ombudsman