

The complaint

Miss E complains about TSB Bank plc blocking her account and / or not releasing her funds when she presented the required documentation.

What happened

I issued my provisional decision on 8 January 2024, and this is what I said:

I've considered the relevant information about this complaint.

Before I issue my final decision, I wanted to give everyone a chance to reply.

I'll look at any more comments and evidence that I get by 23 January 2024. But unless the information changes my mind; my final decision is likely to be along the following lines.

The complaint

Miss E complains about TSB Bank plc blocking her account and / or not releasing her funds when she presented the required documentation.

What happened

Miss E opened both current and savings accounts with TSB in 2012.

In 2021, TSB noticed that Miss E's account hadn't been used since 2018, so they wrote to her, in February and June of that year, at the UK address they held on file. TSB said that as Miss E hadn't used her accounts for more than a year, they would apply blocks to them if she didn't make contact. As TSB didn't hear from Miss E, they applied the blocks.

At the beginning of 2023 Miss E arranged to visit a TSB branch as she wished to withdraw funds. When Miss E visited the branch, she discovered her accounts were blocked and she couldn't access her funds.

Miss E wanted the blocks lifted and required her funds, but TSB staff were unable to do this.

Miss E was dissatisfied with TSB as they hadn't notified her of the account blocks and wouldn't release her funds.

Regarding the blocking of the account, TSB explained that they hadn't made an error, that they followed the terms and conditions of the account and only placed the blocks after writing to Miss E.

Regarding the refusal to unblock the accounts, Miss E says she provided TSB with all the documents they needed. But TSB say this isn't the case. They explain that because Miss E moved to a new address in Country A without notifying them, their unblocking procedure required them to see documentation to support her previous address.

TSB provided Miss E with details of an online form for her to update her new address in Country A. They explained that once this has been updated, they can complete an identity check and release her funds.

Miss E complained to our service about TSB's actions. Also, she is dissatisfied with their complaint handling. In addition to regaining access to her funds, she would like

compensation for the distress and inconvenience caused. However, our investigator couldn't see that TSB had done anything wrong.

As Miss E remains dissatisfied, this case has been referred to me to look at.

When referring this complaint to an ombudsman Miss E's representative said:

"The complaint of Miss E is not regarding the fact that TSB proceeded with the blocking of her accounts, but the fact that TSB did not proceed with the unblocking of her accounts and the release of the funds, even though Miss E visited in person the branch of TSB and even though she provided all the documents that the employees of TSB requested".

What I've provisionally 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 upholding this complaint for the following reasons.

I should first explain that:

- I have considered both the blocking and the attempted unblocking of Miss E's accounts. This is because the complaint form received refers to both matters.*
- I can't tell a business to make alterations to their systems, services, procedures or processes. I say this because we aren't the regulator of the financial services industry.*
- Also, there are rules (known as DISP Rules) laid down by the Financial Conduct Authority which means complaint handling is not a regulated activity. So, specific complaints about how TSB manage complaints can't be considered by our service.*

From checking the file, I can't see that Miss E notified TSB of her address change. There is no evidence of an address change notification on file, and TSB's terms and conditions say:

- 'You must tell us if you change: any of your contact details such as your address.'*
- 'If you don't tell us about a change in your contact details, we might send information about your account to the wrong place. This could mean that you don't hear about changes to your account. Or your account information could get into the wrong hands. Or you may not be able to make a payment using your debit card online or log in to Internet Banking, Mobile Banking or the Mobile App.'*

Regarding the blocking of Miss E's accounts, TSB system notes show that Miss E hadn't used her accounts since 2018 and there are copies of letters they sent to her checking if the accounts were needed and informing her that, if they didn't get a response, they would block her accounts. There is no evidence on file of Miss E responding, probably due to TSB not having received notification of an address change prior to 2021.

Also, TSB's terms and conditions say:

- 'If you don't pay money in or take money out of your account for more than a year we may freeze your account. This means we won't allow any more payments into or out of the account, or send statements, until we've carried out identity checks to make sure it's you giving us the instructions. We do this to protect the security of your account. Once we've carried out the identity checks you'll be able to use the account as normal. We'll always write to you at least two months before we freeze your account to give you the opportunity to tell us you don't want us to do this'.*

So, considering the account inactivity, together with TSB's notification, customer protection responsibilities and account terms and conditions which Miss E would've agreed, I consider TSB's blocking action to be both fair and reasonable.

I recognise the frustration and inconvenience that Miss E experienced when she was unable to change her address and gain access to her accounts at the branch.

Following the investigators view, there appears to be a dispute or misunderstanding over what documents Miss E presented at the branch.

In cases where information is incomplete, inconsistent or contradictory, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available information.

Miss E says she presented the necessary documents and has provided copies to our service, but this doesn't include proof of the address TSB held on file. And her representative says Miss E provided all the documents that the employees of TSB requested, and this is the mistake that TSB need to rectify.

However, TSB say:

'When Miss E visited her local branch to withdraw the funds from her accounts she was asked to provide personal ID and proof of her address. Unfortunately, as Miss E had not kept her address updated on our records and did not hold suitable evidence of her address in X (UK) which we hold on our records. Our staff were unable to release the funds to her.'

From reviewing the file, although I recognise it was probably difficult for Miss E to present the address document TSB required (her previous address), I'm satisfied that TSB's procedure required an address document that verified the address they held on their system. And, when viewing the submissions, I can only see an address document from Country A. So, I think that there must've been some confusion over what documents the branch staff required and I think it unlikely that TSB wouldn't have asked for Miss E to verify the address they held on file, which I can't see Miss E provided.

So, I'm satisfied that TSB were acting in Miss E's best interests. They were trying to protect her funds by asking her to verify the address on file and then, because she didn't have any documentation, directed her to their online form to provide identification and proof of her address via a secure form.

I'm pleased to hear that Miss E has now updated her address and as explained by our investigator, she now needs to provide the necessary identity verification in order to allow TSB to activate her accounts and release the funds.

So, having considered all the above, I consider TSB's actions to have been fair and reasonable and I'm not upholding this complaint.

My provisional decision

For the reasons I've given above, it's my provisional decision not to uphold this complaint.

I'll look at anything else anyone wants to give me – so long as I get it before 23 January 2024.

Unless that information changes my mind, my final decision is likely to be as I've set out above.

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.

I would like to thank both parties for responding before the above deadline.

Miss E's representative said:

"We have instructions from our Client to inform you that since we have submitted on her behalf all the evidence available to her, she does not wish to make any final points or disclose any additional information in further support of her complaint".

TSB said:

"We have no further comments to make, so we will await the final decision and closure emails from your service".

So, as no further arguments or evidence have been produced in response to my provisional decision my view remains the same.

I therefore adopt my provisional decision and reasons as my final decision.

My final decision

For the reasons I've given in my provisional decision, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 22 February 2024.

Paul Douglas
Ombudsman