

The complaint

Miss W complains that TSB Bank plc blocked her debit card without telling her that it was doing so.

What happened

In December 2023 Miss W used her debit card to make a £1 payment, having been told she had won a competition. She soon realised that this was in fact a scam, and she contacted TSB through its online chat facility to report the fraud on the evening of 17 December. TSB said it would investigate. If there were any fraudulent payments, it would refund them, cancel Miss W's card and issue a new one within a few days.

The following day, 18 December, TSB contacted Miss S, again through its online chat service, to say that it had arranged for any payments to the same merchant to be stopped and that Miss S would be sent a replacement card.

On the same day, Miss S tried to use the card but was unable to do so. Whilst she says she had some cash, she was unable to make purchases or to withdraw additional funds at a time when she needed them.

Miss S received a replacement card on 24 December 2023.

Miss S complained that she had not been told her card would be cancelled, leading to inconvenience and embarrassment. TSB initially agreed that it hadn't explained as clearly as it should have done what would happen, and it paid Miss S £25 by way of compensation. When Miss S referred that matter to this service, TSB reviewed what had happened and said that it thought it had done sufficient to keep her informed.

One of our investigators reviewed the case but did not recommend that it be upheld. He thought that TSB had kept Miss S sufficiently informed and had acted reasonably.

Miss S did not accept the investigator's view and asked that an ombudsman review the case.

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.

First, it was in my view entirely reasonable of TSB to cancel Miss S's debit card and to order a replacement, once it was satisfied that it had been compromised. Had it not done so, there was a risk that the card details might become further compromised, causing Miss S or the bank (or both) to suffer additional losses. Placing a temporary block on the card would not have fully addressed that risk.

Miss S's primary concern however is that she was not told that the card was being cancelled.

Miss S's communication with TSB was primarily through the online chat service – although she spoke to the bank by telephone when she found out her card had been cancelled. The online conversation began on the evening of 17 December. Miss S was an active participant at that point – by which I mean that she provided information and answered questions.

After the initial conversation, TSB sent "holding" messages, before sending a message on the afternoon of 18 December 2023 that it had cancelled the card. The bank's records show that Miss S read the messages sent after the initial conversation, but she does not appear to have replied to them or been directly involved in the same way she was the previous day. I think it is likely therefore that, as she says was the case, Miss S did not realise that her card would be cancelled. I accept that an indication that a message has been "read" may mean only that it has been received.

I do not believe however that I can fairly say that TSB should have done more to ensure Miss S knew what was happening. TSB had said on 17 December that, if any payments were found to be fraudulent, it would cancel the card. Miss S was still actively engaged in the conversation at that time; and she knew that there had been a fraudulent payment.

TSB also said that Miss S should have notifications turned on in her device settings, so she would know if there were any updates.

Miss S has said that she had no other means of payment. In the circumstances, therefore, she would have suffered some inconvenience, even if she had known her card would be cancelled. She was not in a position to make alternative arrangements.

In my view, therefore, the £25 which TSB paid Miss S when it initially considered her complaint is sufficient to resolve matters.

My final decision

For these reasons, my final decision is that I do not uphold Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 11 November 2024.

Mike Ingram
Ombudsman