

## The complaint

Mr O complains that TSB Bank plc both blocked several debit card payments and retained his card during a cash withdrawal. He also complains that TSB responded poorly to his request for assistance and subsequent complaint.

## What happened

In November 2024 I issued my provisional decision on this complaint. I wanted to share some evidence and give both parties a chance to provide any more evidence and arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below.

### *What happened*

*In November 2023 Mr O emailed TSB to complain that his debit card had twice been blocked by its fraud team. He said the first time he'd had no warning. On the second occasion (14 November 2023) he had replied to TSB's text to confirm he'd authorised the transactions but he still had to make expensive telephone calls to TSB's fraud team to unblock his card.*

*Mr O also complained that on 22 November 2023 his TSB debit card had been retained by the cash machine abroad when he attempted to withdraw cash for his journey back to the UK from Europe. He said he did not have enough money either to credit his mobile phone or to continue his journey and had to remain abroad. He said was "panic stricken" because he would miss an appointment in the UK the following day related to cancer treatment. He asked for a new card and compensation.*

*Five days later Mr O contacted TSB again to say that he had been able to make online payments using his debit card number without any problem. But he said he needed cash for food and his return trip to the UK and he needed the replacement card to be sent to a specified bank abroad.*

*The following day TSB acknowledged Mr O's complaint by letter to his UK home address.*

*In December 2023 Mr O emailed TSB to say its response did not deal with his complaint. He said he'd obtained a new debit card (by going to a UK branch). But on 8 December 2024 the new card had been declined three times despite his substantial credit balance in his current account.*

*In December TSB responded to Mr O by post, but he asked for a copy to be sent by email as he was at a different address for cancer treatment. He reminded TSB about this later that month.*

*On 10 January 2024 TSB sent Mr O a final response letter by post. It said it had blocked his debit card for security checks, designed to prevent fraud. It acknowledged this was not convenient for Mr O but said it was allowed to do so under its terms and conditions. TSB said it was a difficult balance between allowing its customers unrestricted access and*

*making sure their money remained safe. TSB said the security checks were in line with its procedures and for a necessary amount of time.*

*TSB went on to say that on 15 November 2023 it had sent a text message to Mr O asking him to speak to it about the card block and he had confirmed the transactions as genuine, so it removed the block. TSB said it had not received the payment request Mr O said was refused on 8 December 2023 and suggested it may be due to an issue with the merchant.*

*In early February 2024 Mr O asked this Service to look into his complaint. He said TSB had not resolved his complaint, had not replied to his last email, had confirmed only the facts and had resolved nothing. On his complaint form, he said he could not work while abroad because his debit card was unreliable. Later that month TSB sent Mr O a further letter saying it had taken another look at his complaint and its decision had been fair.*

*Mr O told us that on 16 February 2024 he had tried to make a foreign exchange transfer via the same third party platform as the October 2023 transactions. Although the transaction was approved, the transfer was blocked as being identified as fraud. He did not receive a message about this and had been able to use his card to pay for a meal. But the following day a payment to credit his mobile phone had been stopped, without any evidence of fraud.*

*Our Investigator explained that Mr O would have to raise the issues of 16 and 17 February 2024 with TSB as a fresh complaint, because they did not form part of his original complaint to TSB. Mr O said he had raised those issues and had received responses.*

*Our Investigator also asked both Mr O and TSB for additional information. Mr O asked her to share the information that TSB had sent to us. Our Investigator said TSB had not consented to us sharing the file it had sent to him and he would need to make a data subject access request to it directly. Mr O said this was in breach of the European Convention on Human Rights (ECHR) and natural justice.*

*Our Investigator sent Mr O her assessment of the complaint, together with a copy of TSB's responses to his complaint and his bank statement for the relevant period. She said she could not share TSB's internal documents with Mr O because TSB had not consented to this, but, for transparency, she had referred to information it had supplied in her findings.*

*In summary, our Investigator concluded that TSB had been entitled to block Mr O's card in November 2023 in line with its terms and conditions. Mr O had contacted TSB and the block was then lifted. TSB said the card would have been retained by the cash machine only if it had been reported lost or stolen, which had not happened here and it was possible there was some malfunction with the cash machine itself. Our Investigator didn't think TSB had requested the card to be retained.*

*Mr O asked for an Ombudsman's review of his complaint. He said TSB's records would show if it stopped the card and on what grounds and that it should provide this record. The explanation given to him about the suspension of his transactions was a concern that his account had been hacked, but the bank had used an online payment approval several times – and that would have avoided embarrassment. He said the two suspensions were wholly unnecessary and unjustified.*

*Mr O said he complained to TSB on 22 November 2023 when he had access to a laptop but had no immediate contact from TSB to let him know he could use his card and no discussion about getting a replacement card to him. The card machine was operated by a respected European bank and other people in the queue ahead of him had successfully withdrawn cash. There was no sign of any tampering with the cash machine. In his view, it is more*

*likely than not that TSB read his complaint of 22 November 2023 and restored his account without informing him, given it is “notorious” for computer problems.*

*I made an initial review of the file. I asked both TSB and Mr O for some additional information. I will set out the material evidence on which I have relied below. Both parties will be able to comment on this decision. I will review their comments before reaching my final decision in this complaint. If their comments change my mind I will issue a second provisional decision before issuing a final decision.*

### **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.*

*In considering what’s fair and reasonable, I need to have regard to the relevant law and regulations, regulators’ rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time.*

*Where the evidence is inconsistent or incomplete, I will reach my decision based on the balance of probabilities; that is, what I consider is more likely than not to have occurred.*

*Having reviewed all the evidence, I don’t currently intend to uphold Mr O’s main complaints about the blocked debit card transactions and his card being withheld in a cash machine. But I think there were some shortcomings in TSB’s response to Mr O’s situation and his complaint and I propose to make a moderate award of compensation. I’ll explain my reasons, focusing on what I consider to be the central issues.*

#### **The November 2023 blocked debit card transactions**

*The rules which govern this Service are the Dispute Resolution Rules (DISP). The DISP rules are in the Financial Conduct Authority’s (FCA) handbook, which sets out the way in which the Ombudsman can deal with evidence at 3.5.4, 3.5.9 and 3.5.10.*

*In summary, I am entitled under the DISP rules to accept evidence in confidence (so that only an edited version, summary or description is disclosed to the other party) where I consider it appropriate. Evidence which I may accept in confidence includes confidential evidence about security information.*

*I’ve received TSB’s records about the 14 November 2023 blocked transactions, which I’ve decided to accept in confidence as they relate to the bank’s internal security procedures. But I will include a summary below.*

*On 14 November 2023 Mr O attempted to make two payments of £100 respectively to a company I’ll call W. He was using W to transfer money to a beneficiary in another country.*

*I’m satisfied from the evidence that TSB sent Mr O a text message asking him to confirm that he was attempting to make the transactions. TSB temporarily blocked his card pending his response. Mr O responded to the text but TSB then asked him to call its fraud team. He did so the following day and I’ve listened to his two conversations with the fraud team.*

*Mr O explained that he did intend to make the two transactions to W. In error, he had duplicated the first payment, but said he would correct this himself. Mr O said that TSB had blocked a payment to W two weeks earlier but on that occasion TSB had not notified him.*

*TSB asked Mr O some questions about the transactions, including whether it was possible that he was being coerced or pressured into sending the money.*

*Mr O confirmed that he was not being coerced or pressured and was sending money to a person in need in another country. He explained why he was upset and embarrassed that the payment had been blocked. He said that he was concerned the block was defamatory and suggested there might be problems with his account.*

*TSB confirmed it had lifted the block and that the system was automatic not manual and could be sensitive at times.*

*I don't think it's in dispute that TSB's terms and conditions allow it to block transactions where TSB has concerns about possible fraud, to protect both its customers and the bank. We don't consider this, of itself, to be unreasonable.*

*I think TSB was entitled to ask Mr O to confirm that the transactions he was attempting to make were genuine. Mr O was concerned that TSB didn't just verify him using its usual process. But I don't think TSB's actions were unreasonable. Its records indicate that Mr O gave an invalid response to the text message. And, even if that wasn't the case, I think TSB was entitled to ask Mr O questions about the transaction to verify that he was not being coerced or pressured.*

*I understand that Mr O was embarrassed and inconvenienced by the temporary block on his card. But I find that TSB was entitled to block the transactions and I see that it lifted the block promptly following Mr O's call to the fraud team. I don't consider the legitimate temporary block of his card means that TSB's actions were defamatory, and indeed I think it is widely understood that banks will make security checks from time to time. I appreciate it was inconvenient for Mr O to call TSB but I don't require it to compensate him for his telephone calls as I find TSB was entitled to ask Mr O to call it.*

#### *The card retention*

*While he was abroad and travelling back to the UK by road, Mr O's card was retained in a cash machine. I've no reason to doubt that Mr O saw a message saying that his card was retained on the instruction of his bank. He's pointed out that other people were using the machine without difficulty so he rejects TSB's suggestion that the cash machine was either defective or had some type of device attached to it which might explain the retention of the card.*

*I've looked at TSB's records and I've also asked it to comment specifically on the card retention.*

*TSB has responded to say, in summary:*

- It can't identify why Mr O's card was retained by the third party bank's card machine.*
- It would only require the card to be retained if the card was reported as lost or stolen, which wasn't the case here. In support of this, it has said that if it orders the retention of the card then Mr O would not have been able to use his card online as its systems would mean the card had been cancelled.*
- As earlier explained, there are many reasons why a card can be retained by a cash machine, and not just by the actions of the card issuing bank. For example, where there is damage to a card, a fault with a machine or a false front which then retains the card.*

- TSB apologised for not specifically dealing with this issue in its final response letter.

*I've considered all the evidence. Having done so, I find, on the balance of probabilities, that TSB did not cause Mr O's card to be retained in the card machine. If it had have done so, I accept that there would have been some evidence of that in its card records and there is no evidence it instructed the retention. Mr O was able to make a successful card payment to buy petrol immediately before the card was retained in the cash machine.*

*I also accept TSB's point that where a bank requires the retention of a card by a cash machine, it will not then allow the card to be used online for security reasons. And here Mr O was able to use his card online (albeit he says he discovered this inadvertently).*

*I don't consider TSB's temporary block on the card on 14 November 2023 caused the card to be retained in the cash machine. Mr O was able to use his card successfully after TSB lifted the block, which is in line with its records that show it removed the block following Mr O's call to it on 15 November 2023. I've not seen any evidence to support that TSB made an error, suspended his account and/or that TSB 'restored' Mr O's account to normal following his complaint, as he has suggested.*

*Having reached the provisional finding that Mr O's card was not retained due to an act or omission by TSB, it is not necessary for me to make a finding about the reason his card was retained. That said, I don't doubt this was most inconvenient for Mr O, not least as he did not have any other payment method except for his TSB card.*

*I will return to the point about TSB's response to Mr O's situation later in my decision.*

#### *The attempted debit card payment of 8 December 2023*

*While abroad on 8 December 2023, Mr O attempted to pay for an item in a shop but said that his card payment was declined. Again, I've no reason to doubt his word on this.*

*TSB says that it did not receive a payment request and so was not asked to process this transaction. It suggested this might be due to an issue with the merchant.*

*I've not seen anything to suggest that there was a security check on Mr O's card at the time of this attempted transaction. Again, he was able to make successful transactions using his card both before and after the failed transaction. Having considered the evidence, I don't consider, on balance, that TSB caused the transaction to fail.*

#### *Attempted payments in February 2024*

*In February 2024, Mr O said that TSB had blocked another payment to W. He said that he'd then been able to use his card to pay for a meal but that an additional attempted transaction to top up his mobile phone had been stopped.*

*Our Investigator said that Mr O would need to refer this matter to TSB as it was a new issue.*

*I asked TSB whether it received a complaint from Mr O about this issue, as if so it would be sensible to include it within this existing complaint. TSB responded to say it doesn't have a record of a complaint in February 2024. I've not received from Mr O the responses he said he received from TSB on this issue.*

*I don't currently propose to make a finding on this issue. It's open to Mr O to ask TSB to look into this issue. He can do so directly or via our Investigator.*

### *TSB's handling of Mr O's request for assistance and complaint*

*I've asked TSB to comment on its handling of the complaint. In particular, I observed that Mr O had contacted TSB to complain that his card had been retained. He'd also made TSB aware that he was undergoing cancer treatment and said, as a result of not being able to withdraw cash that he would be unable to return to the UK in time for his medical appointment. As TSB was aware that Mr O circumstances meant he was potentially vulnerable, I asked TSB to consider whether it should reasonably have responded differently at the time.*

*In addition, I noted that Mr O had asked TSB to send its response to his complaint by email given he would not be at his usual address while receiving cancer treatment but it had sent its response by post.*

*TSB responded to say, in summary:*

- Mr O had informed it of his position through an email to its complaints admin inbox and referred to returning home the following morning for an existing appointment. TSB said that complaint responses were not instantaneous and would be picked up "after the fact". Mr O didn't say in his email that he needed the assistance of friends or that he was stranded.*
- It couldn't trace any call from Mr O asking for assistance on an immediate basis.*

*TSB didn't respond specifically to the point about Mr O's request for it to send a response by email.*

*I've sympathy for Mr O's situation. But I've provisionally found that TSB didn't cause his card to be retained, so I don't consider he missed his appointment due to something TSB did wrong.*

*Although he didn't have any other means of payment except his TSB debit card, Mr O was fortunately able to ask friends for assistance. He was able to use his debit card to book a flight back to the UK, where he ordered a replacement card himself at a TSB branch.*

*In his complaint email of 22 November 2023, Mr O asked for a new card (and compensation). On 27 November 2023 he told TSB that he needed cash to return to the UK to begin his medical treatment and that he needed a new card to be delivered to him at a stated bank overseas. I think TSB could reasonably have contacted Mr O by email as he requested, given he had explained his situation. But I also accept that it would have been reasonable for Mr O to contact TSB directly by telephone if he'd wanted its immediate assistance withdrawing cash (which can usually be arranged using an overseas bank).*

*I think TSB could reasonably have assisted Mr O in arranging a replacement card. That said, I see Mr O minimised the impact of being without his card by arranging a replacement card himself on his return to the UK.*

*Overall, I think TSB should reasonably have responded earlier and with more empathy given it was aware of Mr O's personal circumstances. While Mr O kept his losses to a minimum by making his own arrangements I think he was distressed and inconvenienced by TSB's poor response to his situation. I think a moderate award of compensation is appropriate solely for TSB's handling of his request for assistance and complaint. Given Mr O's vulnerable position, I assess £300 to be fair and reasonable.*

*Finally, I've noted that Mr O might wish to take legal action in this matter. As such, I should say that if Mr O rejects my final decision (following my provisional decision/s) then it will not be legally binding either on him or TSB. He is then able to pursue the legal remedies he is aware are open to him.*

### ***My provisional decision***

*For the reasons I've explained, my provisional decision is that I intend to uphold this complaint in part and to require TSB Bank plc to pay Mr O £300 compensation for his distress and inconvenience.*

### ***Responses to my provisional decision***

Neither Mr O nor TSB accepted my provisional decision. They both made further submissions, which I will briefly summarise below:

Mr O said:

- Through a personal contact, he'd spoken to someone within the computer team of the European bank which operated the cash machine which retained his card. Mr O described the stage at which his card was retained and was told there was no ability for the bank to stop the transaction at that point. Mr O said TSB had known what had happened and, in his view, had speedily restored his account having investigated the position internally. Mr O restated an earlier point about TSB's *"history of making computer errors"*.
- My proposed award of £300 does not fairly compensate him for his expenses of returning to the UK at around £1,000 or for TSB's *"improper conduct"*.

TSB said:

- I had not upheld Mr O's complaints about the flagged and blocked payments of his card being retained in a cash machine. It did not consider it fair that I award £300 compensation. It had responded fairly to Mr O's complaint within its internal timescales and in line with its regulator's (the FCA) requirements. It didn't respond instantaneously to complaints and in any event understands that complaint handling is not a regulated activity that I have the jurisdiction to consider. In any event, it had sent its response to Mr O's postal address in line with its usual process and forwarded its response to him by email when requested.
- Even if Mr O had used the *"appropriate channels"* to request a replacement card he would have had to return to the UK to collect it. He had told TSB that he was already returning to the UK, so this trip was not just to order a replacement card.

Mr O responded to TSB's points to say:

- When he's lost a card in the past, he's been provided with a replacement card via a local bank. And in any event, TSB could have told him it couldn't send a replacement card in response to his request. The bank he'd suggested was a branch of TSB's parent bank.
- An acquaintance's bank arranged for a local cash advance at a bank abroad following the theft of his card. TSB's conduct was *"almost a fundamental breach of contract"* in the provision of a banking service.

TSB responded to Mr O's points to say:

- While it appreciated the points Mr O had made, the evidence he had provided about the European bank's systems was theoretical. TSB's evidence is that it had not cancelled or recalled his card. If it had done so, the card would not have worked online. It restated its earlier submissions about various reasons that a card might be retained in a cash machine.
- It didn't accept it was responsible for Mr O's expenses returning to the UK.

### **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've carefully considered all the submissions I've received in response to my provisional decision but they don't persuade me to change the findings I reached in that decision. I confirm those findings here for the reasons I've already given and as set out below. I've focused on the issues raised by the parties in response to my provisional decision.

#### *The card retention*

I confirm the findings I've already reached about the retained card. I find, on the balance of probabilities, that TSB did not cause Mr O's card to be retained in the card machine for the reasons I've already given. In summary, there is no record of TSB requesting the retention and the card continued to work online.

I've read the comments Mr O has made following his conversation with a member of the European bank's computer team. But they don't persuade me that it's more likely than not, on balance, that TSB requested the card be retained. As TSB has restated, there can be several reasons – including problems with the card and cash dispenser - for a card to be retained in a cash machine.

I've considered Mr O's comments about TSB's history. But in this individual case that I'm deciding I've not seen anything to suggest that TSB made an error to cause the card to be retained or that TSB restored the card for online usage following Mr O informing it about the card's retention.

Both Mr O and TSB have commented on my proposed award in relation to the costs Mr O incurred in returning to the UK. But to be clear my compensation award is not intended to compensate him for those expenses because I don't find TSB caused the card to be retained. Rather, the award is intended to reflect the distress and inconvenience he was caused due to TSB's poor response to his situation.

#### *TSB's handling of Mr O's request for assistance and complaint*

As TSB is aware, it is for me to decide whether a complaint comes within our jurisdiction.

Mr O's complaint includes TSB's act or omission in carrying out the regulated activity of accepting deposits, paying money by a plastic card and providing ancillary banking services. (see DISP 2.1.4G (3), DISP 2.3.1, and DISP 2.5.1). I consider Mr O's concerns about the handling of his complaint was ancillary to his main complaints and it is one I can consider when reviewing TSB's response to Mr O's situation.



So I am satisfied that I can decide the complaint, which includes TSB's response when Mr O requested its assistance through its complaint process.

I've read the comments from Mr O and TSB in response to my proposed award of £300 for his distress and inconvenience. I remain of the view that this is a fair amount of compensation for the reasons I've already given and below.

I've noted TSB's comments about the replacement card and that it does not send cards abroad. But Mr O was asking TSB for assistance having made it aware of his vulnerable personal circumstances. I appreciate he could have called TSB for emergency cash if required. But equally I remain of the view that TSB should reasonably have responded more positively having been put on notice of Mr O's vulnerable position.

I've read TSB's reason for sending its complaint response to Mr O's postal address. But he had told it he wanted an email response and I'm not persuaded TSB sent its initial response to him by email even though it was aware he was receiving treatment away from his postal address.

As I've said my award is not for Mr O's expenses in returning to the UK. I don't have a regulatory role and so my awards are not designed to punish TSB for its conduct.

Having carefully reviewed all the evidence again, I am satisfied that a fair and reasonable outcome to this complaint is for TSB to pay Mr O £300 compensation for his distress and inconvenience.

### **My final decision**

For the reasons I've explained in my provisional decision and in this final decision, I uphold this complaint in part. I require TSB Bank plc to pay Mr O £300 compensation for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 17 January 2025.

Amanda Maycock  
**Ombudsman**