

The complaint

Mr S complains that TSB Bank plc blocked his account when he attempted to make a purchase. He's also unhappy about the customer service he received when he contacted the bank.

What happened

Mr S holds a credit card with TSB.

On 3 August 2024 Mr S attempted to purchase a watch using his credit card. The payment was declined. Mr S made a second attempt, but this was also declined. Mr S completed the purchase using his debit card.

On 6 August 2024 Mr S received a text from TSB asking him to contact them about the transaction.

When Mr S contacted TSB he received poor customer service. He had to call several times because the calls were dropped, and he was given conflicting information. Mr S raised a complaint with TSB.

In its final response dated 19 August 2024, TSB said it sometimes had to block payments whilst it carried out security checks. It said it was obliged to follow the rules to prevent fraud and protect customers. TSB said it recognised that the security checks weren't always convenient but said that the block on the account had been applied in line with its procedures. TSB acknowledged that it should've sent a text to Mr S on 3 August 2024 when the block was applied. It said a system error meant that the text wasn't sent until 6 August 2024. TSB acknowledged that Mr S had experienced long call wait times and had been given conflicting information. It confirmed that the block had been lifted and paid compensation of £50.

Mr S remained unhappy and brought his complaint to this service.

Our investigator upheld the complaint. He said that although the block had been correctly applied, TSB made mistakes which had caused distress and inconvenience to Mr S. The investigator recommended that the compensation was increased to a total of £150.

Mr S didn't agree. He said it shouldn't've taken three days for the fraud team to send him a text, and that customers shouldn't be put in a situation where a payment was declined without any contact from the bank. Mr S said he wanted TSB to review its processes to ensure that the situation didn't arise in the future.

Because Mr S didn't agree I've been asked to review the complaint.

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 understand that it will disappoint Mr S but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

TSB has explained in its final response letter that it has an obligation to protect customers from fraud. Like all banks, TSB uses an anti-fraud detection system to identify potentially fraudulent transactions. In this case, TSB has said that it was the high value of the transaction which triggered the anti-fraud detection system, as the purchase being attempted by Mr S was significantly greater than his habitual spending on the account.

I haven't found any evidence to suggest that TSB made an error when it placed a security clock on the account. Based on what I've seen, the block was applied in line with the banks security processes. That said, TSB has acknowledged that Mr S should've received a text message as soon as the payment was declined. This is part of the process which the bank should've followed. For reasons which TSB has said were due to a system error, this text message wasn't sent to Mr S until three days later.

I've thought about the impact of this error on Mr S. Had the text been sent when it should've been, Mr S would've been prompted to call the specialist team at the bank. Had that happened, it's possible – although I can't be certain – that Mr S might have been able to provide sufficient information to the specialist team in order for the block to be removed the same day, which in turn would've enabled Mr S to complete his purchase using his credit card.

I can see that Mr S managed to complete his purchase using his debit card. Whilst this wasn't his intended method of payment, it meant that the impact of the banks error wasn't as significant as it might've been, because Mr S still managed to purchase the item he wanted. I haven't seen any evidence that the late text caused Mr S any financial loss. I do recognise, however, that the failure by TSB to send the text when it should've done added to Mr S's frustration and poor experience, so I've had this in mind when thinking about what's a fair and reasonable resolution to this complaint.

Mr S has also raised some points about customer service. TSB has acknowledged that it could've provided better service to Mr S when he contacted them. It has apologised for the long call wait times and the fact that Mr S's calls were transferred to the incorrect department and that he was given conflicting information.

Taking everything into account, I'm in agreement with the investigator that the compensation paid by TSB doesn't go far enough and that a further £100 should be paid.

I appreciate that Mr S has said that this isn't about monetary compensation for him, and that he would prefer a resolution which requires TSB to review its processes. This service can't tell a business to change its processes. Only the regulator can do that. What we can do is check that the processes have been followed correctly and applied fairly. In this case, there was an error in the process because the text wasn't sent when it should've been due to a system error. I'm satisfied that the compensation I've awarded is a fair way to resolve the complaint.

Putting things right

To put things right, TSB Bank plc must pay further compensation of £100 to Mr S.

My final decision

My final decision is that I uphold the complaint. TSB Bank plc must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 March 2025.

Emma Davy
Ombudsman