

## **The complaint**

Mr M complains that TSB Bank plc (TSB) unreasonably blocked his account when he tried to make a payment and kept him on the phone for over three hours without resolving the issue.

## **What happened**

Mr M said that when he tried to transfer funds into his friend's account for a purchase the transaction was blocked. He called TSB and was advised to try again but found that the transaction was still blocked. Mr M said he spent 197 minutes on the phone waiting and speaking to TSB's agents without a resolution and he had to travel to his friend to pay in cash. He would like compensation for stress and inconvenience he's been caused.

TSB said Mr M's payment was blocked for a security/verification check and investigated. It said the terms and conditions for Mr M's account state that it can stop a customer from using their account or making payments for security reasons. TSB blocked Mr M's Internet/Mobile app, but not his debit card which he could still be used to make payments and withdraw funds. TSB said it removed the block on Mr M's account after four hours.

As to communications, TSB said it sent Mr M a message about the payment being blocked and said there were two calls from Mr M. The first went to its Payment Verification team and was of short duration as Mr M hung up. On a later call TSB asked Mr M the questions relevant to fraud checks, however the payment was declined due to its concerns, which TSB said it is entitled to do. TSB advised Mr M to only pay when in possession of his purchase.

Mr M complained to TSB. In its response TSB said it hadn't acted in error in respect of the payment block or fraud checks and wouldn't compensate him for travelling to make the payment. However, TSB paid Mr M £50 to apologise for the long call wait times as it had been extremely busy. TSB invited Mr M to evidence his call wait times and costs for reimbursement, as he said he'd been on the phone for six hours, but didn't receive anything.

Mr M was unhappy with TSB's response. He said he hadn't incurred additional call costs, but had made an hour and ten minutes round trip to pay for his purchase. Mr M referred his complaint to our service.

Our investigator didn't recommend the complaint be upheld. She said TSB are allowed to stop payments for fraud concerns as per the terms and conditions. She didn't think TSB explained to Mr M how long this would take, but she felt £50 compensation is reasonable.

Mr M disagreed and requested an ombudsman review his complaint. He said TSB's £50 was nothing to do with compensation for stopping his account, which it did twice. He understood TSB can do fraud checks but to block his account again during his call is where they failed. He said more compensation should be paid for his time on the phone and his car journey.

## **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 was sorry to learn that what could have been a straightforward payment transaction turned into a drawn-out and upsetting experience for Mr M. Part of my role is to determine whether what took place was fair and reasonable and whether TSB followed the process correctly.

In assessing whether TSB acted fairly, I've taken into account the relevant rules and the terms and conditions of his account along with good industry practice. There are general principles that say a bank should conduct its business with due skill, and care and pay regard to the interests of its customers. As a matter of good industry practice, I'd expect TSB to be monitoring accounts and payments to identify and prevent transactions that could involve fraud.

Mr M's account was blocked despite him confirming on his app that he knew the payee and that the details were correct. Mr M received a text from TSB but no follow-up call and rang but had to hang up due to long wait times. Mr M then had difficulty in reaching TSB and by the time he had finished speaking to an adviser and making a complaint, he'd spent 197 minutes on the phone. He said on his second call there was confusion which meant he still couldn't access his account.

Mr M said he understood the initial block on his account, but to be blocked again after the efforts to unblock his account caused him inconvenience. But he also said the questions asked by TSB were inappropriate and intrusive and not relevant to TSB.

All financial institutions holding customer funds are required by their regulator, the Financial Conduct Authority, to put in place systems that reduce and interdict transactions that may be carried out for the benefit of fraudsters.

TSB asked Mr M questions to ensure the payment was genuine and that it was speaking to the right person. TSB's intention was to protect Mr M's funds, and I can see that it has acted within the terms and conditions of the account. I haven't found an error by TSB in placing a block on Mr M's account to carry out its checks. Although Mr M's app was blocked, he was still able to use his debit card to make payments and withdraw funds.

I don't know how many times this approach by TSB and the other financial institutions will have prevented fraudsters from benefitting from customer accounts, but I'm sure that millions of pounds have been diverted from the alarming range of fraudulent enterprises by the type of security checks applied to Mr M's account.

I have listened to the calls between Mr M and TSB. I was sorry to see that Mr M ended the first call after a long wait. On the second call, I don't think there was confusion, albeit TSB's adviser invited Mr M to re-try the payment and it was still blocked. From its records it's clear the block was very briefly in place but then quickly lifted as confirmed to Mr M by the adviser. After the block was lifted, Mr M was advised to restart the app and pay for the goods in person, which he did. This is safe advice for one-off personal transactions as it ensures the goods are received at the point of payment.

I move now to compensation. We're all inconvenienced at times in our day-to-day lives – and a certain level of frustration and minor annoyance is unwelcome but to be expected. It's the impact of the errors made over and above that which we consider to decide if an award of compensation is merited, and if so, how much.

I'm pleased that Mr M incurred no call costs, but I can well understand the inconvenience he experienced and that he expected a quicker resolution to the issue. I'm glad to see acknowledgment by TSB of the poor customer service with long call wait times. TSB said

they were 'extremely busy' at the time paid Mr M £50 compensation for his time on the phone. Having found no errors from TSB, only inconvenience, I agree with TSB and the investigator that £50 compensation is fair for the impact of this issue on Mr M.

Our service investigates the merits of complaints on an individual basis. And that is what I've done here. I think it's important to explain that my decision is final. I realise that Mr M will be disappointed by this outcome though I hope he appreciates the reasons why it had to be this way.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 April 2025.

Andrew Fraser  
**Ombudsman**