

## **The complaint**

Mr F complains that TSB Bank plc ("TSB") blocked his online banking following an attempt to make a payment to a friend. In particular, Mr F is unhappy at the questions TSB asked him in order to have the blocks removed and that TSB referred the matter to the police resulting in significant distress and inconvenience for him.

## **What happened**

On 13 November 2024 Mr F attempted to make an online transfer of £700 to a friend who he'd never made a payment to before from his TSB bank account. TSB's automated fraud detection system flagged the payment for further verification checks and placed a block on Mr F's account meaning he couldn't make payments through its online banking.

Mr F called TSB and although reluctant to provide any information at first, Mr F eventually stated that the payment was a loan to a friend. TSB's advisor explained that there were concerns around the payment being part of a scam which Mr F refused to accept and expressed his unhappiness and frustration at the payment being blocked as he wanted to get the transfer completed as soon as possible. When questioned further about the payment Mr F refused to provide any more detail and so due to continued scam and fraud concerns TSB did not approve the payment and suggested Mr F make the payment via alternative means.

There were further calls about this following the same pattern where Mr F was advised he would need to speak to TSB's fraud team which Mr F refused as he didn't want to be asked further personal questions and requested he speak to someone more senior despite it being explained that they would be asking the same questions. On occasion Mr F became very agitated and on one occasion this led to TSB disconnecting the call.

Unfortunately, during this period a block was placed on Mr F's debit card in error, but this was removed the following day on 15 November.

Mr F then provided further information about the payment to his friend and his reasons why his friend needed the funds – to help them travel back to their country of residence. Because this type of payment and circumstances were similar to known romance scams TSB's adviser continued to have concerns and asked further questions which Mr F didn't wish to answer as he didn't think the questions appropriate. At this point TSB felt it was appropriate to invoke the banking protocol and involve the police.

Mr F attended branch for the police appointment but unfortunately they didn't show up and Mr F had to return to work and was interviewed by police later in the day.

Mr F complained about all of this including call waiting times to TSB. TSB explained that although inconvenient sometimes extra security checks are necessary in order to prevent fraud and ensure its customers are protected and that the blocks it applied to Mr F's account were in line with its procedures and for the necessary amount of time. Furthermore, it said it was unable to remove the block until it receives the police report or Mr F engaged with its fraud department.

TSB acknowledged its call waiting times can be excessive and it made an error in blocking his card and so it paid Mr F £60 compensation which Mr F rejected. Mr F wants TSB to apologise, provide a date where he can switch banks and to be compensated for the period he's not been able to use his account to make regular payments and his credit rating restored if it has been damaged due to any late payments.

Mr F brought his complaint to this service. Mr F objects to TSB's continued questioning and what he believes to be unfounded suspicions. Mr F says he's made similar payments in the past and can't understand why this one is being flagged. Mr F says he was able to make his payment using another method through another bank providing the same information but as his friend no longer required help, he didn't complete the transfer.

TSB says it is not happy to remove the blocks as it had concerns Mr F was being socially engineered in some way and that it is why it took the action it did by contacting the police and until it receives the police report it can't lift the blocks.

One of our investigators looked into Mr F's concerns but didn't think TSB had treated Mr F unfairly or had made an error when it declined the payment and applied the blocks to Mr F's online banking as although it has a duty to execute payments with due care and skill, it also has a duty to refrain from making a payment if it has reasonable grounds for believing that the instruction is fraudulent. And in this case they thought TSB did have reasonable grounds for not making the payment and didn't think the questions TSB asked were unreasonable. And when Mr F refused to answer the questions, they understood why TSB felt it necessary to invoke banking protocol and contact the police.

They acknowledged that TSB was still awaiting the outcome of the police investigation which had resulted in further delays and that given the time that had passed, and that as Mr F no longer wished to make the payment and wished to move banks, that TSB should now remove the restrictions so he can take this action and provide Mr F with paper statements as per his request. But as they didn't think it was unfair to block the payment or other aspects of Mr F's banking facilities, they thought the £60 compensation already paid was fair and didn't recommend an uplift on this.

TSB confirmed it was unable to take the £60 compensation back and say it won't remove the blocks until Mr F talks to its fraud team as just because time has passed doesn't mean it should forgo its processes and remove the block especially when Mr F has refused to engage with its fraud team.

Mr F says if TSB will not lift the restrictions, then the only solution is for him to switch banks. Mr F says TSB's claims are unfounded, he's been made to feel like a liar and its actions have left him traumatised and depressed.

And so Mr F's complaint was progressed for an ombudsman's decision.

### **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 hope that Mr F won't take it as a discourtesy that I've described and condensed his complaint in the way that I have, I've no doubt about Mr F's strength of feelings on this matter as is evidenced by the amount of correspondence Mr F has submitted to this service. But ours is an informal dispute resolution service, and although I have considered all his submissions and complaint points, I've concentrated on what I consider to be the crux of the

complaint. Our rules allow me to do that. And the crux of Mr F's complaint is that it was unreasonable for TSB to block the payment as there was no evidence of a fraud or scam and that the continued restrictions are unfair, TSB's questioning unreasonable, and he is being held hostage.

It might be helpful for me to say here that I don't have the power to tell TSB how it needs to run its business and I can't make TSB change its systems or processes – such as how or when payments are processed or held for fraud prevention. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures TSB needs to have in place to meet its regulatory obligations or when it should invoke banking protocol and its processes around this. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

That said I don't think it was unreasonable for it to have systems in place – in this case carrying out checks on outgoing payments that meet certain criteria for fraud prevention - to ensure the transactions are legitimate and it meets its regulatory requirements. As I'm sure Mr F understands this is needed not only to protect businesses against criminal activity, but also their customers.

Furthermore, I don't think TSB has acted unfairly or did anything wrong in declining to make the payment and applying restrictions to his online banking and invoked banking protocol when it had what I think are legitimate concerns about the type of payment he was trying to make. From the information I've seen and phone calls I've listened to, Mr F initially was very reluctant to answer any questions about the payment and when he did he provided little detail. The detail he did provide was that the payment was to a "friend" he'd never paid before from his TSB account – despite saying he'd known her for 15 years - who was in the UK for reasons that were unclear and couldn't afford to return home.

There were also details that didn't make sense such as despite the friend having a UK bank account Mr F attempted to make the payments through money transfer services which were considered high risk when there were alternative ways of making such a payment which Mr F could've used.

So I don't think TSB treated Mr F unfairly when it stopped him from making this payment and restricted him from doing this from his TSB account until it could satisfy itself of the legitimacy of the payment, and that Mr F wasn't going to be a victim of a romance scam and that it had done all it can to safeguard its customers money.

And given Mr F was unwilling to provide the information and detail TSB needed and Mr F's growing agitation, I don't think TSB did anything wrong when it made the decision to invoke banking protocol and contact the police. I appreciated this was inconvenient, frustrating and no doubt very distressing for Mr F – especially when the police didn't turn up as was expected - but I don't think this was unreasonable in the circumstances.

I accept Mr F might not have had trouble sending similar payments in the past and by using alternative means, but as scammers become more sophisticated banks have to do more to ensure it is safeguarding its customers money and just because one bank follows a particular process doesn't mean all banks will follow suit in exactly the same way.

I appreciate Mr F has been both distressed and inconvenienced by all of this, but the actions TSB took are allowed under its terms and conditions and is in-line with its regulatory obligations and ultimately, it took this action to protect Mr F's interests, so I don't think TSB have acted unreasonably or treated Mr F unfairly here.

But while I don't think TSB have acted unfairly in applying the blocks and invoking banking

protocol, I'm in agreement with our investigator that the restrictions should be lifted to enable Mr F to move his banking as he's indicated he wants to do. I accept that TSB don't want to lift the blocks to Mr F's account until it receives the police report and that it is not TSB who have caused the delay around this or that TSB have any control regarding this.

But I don't think it's fair to restrict a customer from moving their account to another provider especially when it's their main account and Mr F has confirmed he no longer wishes to make the payment which is the reason for the blocks. And so I think TSB should now remove any restrictions blocking Mr F from moving his account and help Mr F facilitate this should he wish to do so. TSB should also ensure Mr F is provided with the paper statements he has requested so that he has all the important information he needs to manage his account.

Finally, TSB have acknowledged and accepted that its call wait times can be excessive and that Mr F's debit card was wrongly blocked for a day. But the block was removed and the transactions on his bank statement also confirm this to be the case and that his debit card is working.

TSB have already compensated Mr F £60 for this which I think is fair as things don't always go smoothly, I've not seen any evidence of Mr F not being able to access his funds or make his regular payments or his credit report being negatively impacted. And ultimately, I think Mr F has to take some responsibility for what's happened as the restrictions have remained in place because he did not wish to engage in TSB's safeguarding processes.

So it follows that I uphold Mr F's complaint and direct TSB take the actions necessary to enable Mr F to move his account and ensure Mr F is provided with paper bank statements.

### **My final decision**

For the reasons I've explained, I've decided to uphold Mr F's complaint and direct TSB Bank plc take the necessary actions regarding Mr F's account as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 1 May 2025.

Caroline Davies  
**Ombudsman**