

The complaint

Mr M complains that TSB Bank plc blocked his account. Mr M is also unhappy about the service TSB provided.

What happened

The background to this complaint is well known to both parties, so I will just outline key events here.

Mr M has an account with TSB. On 17 November 2024, Mr M transferred just over £6,000 from another of his accounts to his TSB account. Mr M intended to send the funds to his solicitor to complete a house purchase.

On 18 November 2024, TSB blocked this payment to carry out fraud screening to comply with its legal and regulatory obligations and sent Mr M a text to let him know that he'd be able to access his funds by the end of the day. Mr M called TSB on 18 November 2024 at to find out what was happening with his account. Mr M had to make more than one call as he was put through to the wrong department.

Mr M completed security and was put through to an advisor. Mr M told the advisor that he needed urgent access to his funds as he was in the middle of buying a property. During the call the advisor incorrectly told Mr M that the only way to resolve things with his account was if he went into a branch. And that nothing could be done over the phone.

Mr M expressed his concern and urgency to have his account unblocked and access to the funds. The advisor repeated that Mr M would need to go into a branch to resolve things.

Unhappy with this response Mr M told the advisor that he wanted to make a complaint. The advisor said he'd raise this but needed to confirm Mr M's email address to do so. Mr M told the advisor that he'd already cleared security and as far as he understood there was no need for him to provide his email address to raise a complaint. And that he preferred to be contacted by phone – especially given that the matter was time critical and he was worried he'd incur financial penalties if he wasn't able to end the required funds to his conveyancing solicitor. Mr M then raised a complaint online.

TSB completed its review just after midday on 18 November 2024. Mr M was able to access his account and able to make the payment to his solicitor later the same day.

TSB responded to Mr M's complaint. It said it hadn't done anything wrong when it had blocked Mr M's account to carry out a review to comply with its legal obligations. TSB accepted that its service fell short of what Mr M could expect when he was told that he needed to attend a branch. TSB also acknowledged that Mr M had been transferred to an incorrect department when he was trying to contact them to find out what was going on with his account. And that the advisor didn't need to ask Mr M to confirm his email address for him to raise his complaint. To put things right TSB apologised and paid Mr M £75 compensation for the trouble and upset its poor service had caused.

Mr M remained unhappy and brought his complaint to us. He said the service he was provided by TSB was abysmal and he'd been caused incredible levels of stress and worry at a time he was trying to buy a property. Mr M also said TSB failed to address his complaint properly. To put things right he wants £600 compensation.

One of our investigators looked into Mr M's complaint. In summary they said:

- TSB hadn't done anything wrong when it blocked Mr M's account. And had completed its review without any delays.
- TSB hadn't done anything wrong when it asked Mr M to confirm his email address and had done so to follow its processes.
- There wasn't any evidence that Mr M had gone into a branch or being transferred to the wrong department.
- TSB had done enough to put things right.

Mr M disagreed. In summary he said:

- TSB didn't need him to confirm his email address to verify his identity when he spoke to TSB on 18 November 2024 – especially as he'd already verified himself for the purposes of the conversation. Requiring him to provide his email address to record a complaint is a breach of the DISP rules and unnecessary.
- He never attended a branch but left work early based on the advice he received from the advisor that he needed to attend a branch to gain access to his account.
- Mr M also provided a screenshot showing he called two numbers he called to get through to TSB.
- The amount of compensation offered doesn't adequately reflect the amount of inconvenience and upset he's suffered.

As no agreement could be reached the matter has come to me to decide.

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'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr M's detailed submissions.

As the investigator has already explained, TSB has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

TSB will review accounts to comply with these responsibilities. It's common practice for banks and other financial service providers to restrict access to accounts to conduct a review. This can happen regardless of how long a customer has been with a bank.

TSB has also explained that in October 2024, it introduced new extra screening checks on inbound faster payments to spot signs of fraud. As part of the checks TSB send affected customers text messages to let them know their payment has been flagged for extra checks. Having looked at all the evidence, I'm satisfied that this is what happened here – Mr M's payment was flagged.

I note Mr M is unhappy with TSB's fraud prevention system. He has pointed out that the money was transferred from another account that belonged to him. So, he doesn't understand why the payment was flagged. I'd like to explain to Mr M that it is not within this service's remit to tell a business how to run its security procedures. It is the regulator – the Financial Conduct Authority (FCA), who have the power to instruct TSB to amend its policies and procedures, if it finds TSB is doing anything wrong. But I acknowledge having such procedures in place can – on occasion, mean that legitimate payments get stopped. And I appreciate that this can cause distress and inconvenience to a customer – as it did for Mr M.

I agree that the timing of TSB's review was unfortunate. Mr M was in the middle of buying a property, which can be a very stressful process. But whilst I have sympathy for Mr M it's not in my remit to tell TSB what type of account review they should be conducting or when they should conduct account reviews. It doesn't necessarily mean TSB has acted incorrectly as all banks have an obligation to try and keep their customers' accounts safe and prevent them from being victims of fraud and from being used for financial crime. This generally means that a bank's fraud prevention system will flag unusual activity on an account – for example, large transactions and payments to new payees, for further security and fraud checks. And I've seen that TSB's account terms and conditions make provision for this.

I think it was reasonable that Mr M's transaction was flagged, given its value. TSB uses an automated system and, as I said, this service will rarely interfere with reasonable security measures put in place by banks to protect both the bank and its customers. And I'm satisfied the blocking of this particular transaction was a reasonable security measure.

I acknowledge Mr M's point that he was making the payment to himself, and that he had completed a security process to authorise the payment. But TSB couldn't simply rely on Mr M approving the proposed payment – even when it came from another of his accounts. And it makes no difference to the outcome that Mr M had already passed initial levels of security when he authorised the payment. Based on Mr M's account statements I can't see that Mr M had previously transferred money from the account he used on 17 November 2024, given this, I'm satisfied that Mr M was making a payment from a new account. And given the amount involved, I don't find TSB acted unfairly when its automated fraud prevention system flagged the payment for additional security checks.

The relevant account terms and conditions, which Mr M would've agreed to in order to be able to use his account, allowed TSB to take this action in these circumstances. I'd still expect TSB to act in a fair and reasonable way – and I am satisfied that it did. And that TSB didn't cause any delays in completing its background checks as part of its fraud prevention process.

I can understand why Mr M was very eager not to not have his funds blocked – he had to send the money to his solicitor that day to avoid paying penalty charges. And, to this end, I can hear from the call recordings provided to us by TSB that Mr M provided all the information he could about the payments at the time. However, I can also hear that the adviser told Mr M that, regardless of Mr M providing all the information, if the system identifies a transaction that it considers to be high risk, then it will flag that up and there is no way to stop that from happening. So, I'm satisfied that TSB let Mr M know why its fraud prevention systems had identified his transaction for additional security checks.

TSB has acknowledged that it shouldn't have told Mr M that he needed to go to a branch to unblock the funds. It has also accepted that it shouldn't have insisted Mr M needed to provide his email address to raise a complaint. TSB recognised that Mr M was put through to the wrong department. To put things right TSB has apologised and paid Mr M, £75 compensation.

Mr M says this isn't enough. He wants a total of £600 compensation. He has explained that because of TSB's actions and poor service he was caused anxiety and worry. Especially as the payment was time sensitive and needed to be made to his solicitor. So, he wants to be compensated for this.

I've taken on board the impact TSB's poor communication had on Mr M. I've kept in mind that I've also not seen any evidence that Mr M suffered a financial loss because of TSB's poor communications.

TSB have acknowledged it made mistakes when it spoke to Mr M and that it should have provided him with better service. TSB has accepted that its actions caused Mr M distress, and inconvenience. It has apologised and paid Mr M £75 compensation to put this right. Mr M says this isn't enough.

Reaching an award for distress and inconvenience is seldom straightforward. It should be borne in mind that this service's aim is to ensure businesses compensate consumers where things have gone wrong. This can involve consideration of a business' policies and procedures. But we're not the industry regulator – that's the FCA – and so it's not for us to punish or fine a business or require a business to change how it operates going forward. It's clear that Mr M is unhappy with the overall level of service he has been provided with by TSB. And with justification, in my view. Having looked at all the evidence, I'm satisfied that:

- Mr M was misadvised on 18 November 2024, when an adviser told him that he needed to attend branch to find out what was going on with his account. And how he could access his funds. This was an error by the advisor.
- TSB didn't need Mr M to provide his email address for him to make a complaint.
- Based on the screenshots provided by Mr M, I can see that he had to make more than one call to TSB in order reach the right department on 18 November 2024.

I understand that these issues have proved frustrating, upsetting and disappointing for Mr M to have encountered. I'm pleased to see that TSB has acknowledged the impact of this on Mr M and paid him compensation.

I recognise that TSB should have done better in the first place. But, the fact is, things went wrong, and that impacted on Mr M through no fault of his own. This is not the level of service Mr M would reasonably have expected to receive.

It's rarely straightforward to decide what represents an appropriate level of compensation for non-financial loss given its inherently subjective nature. Mr M, and no-one else experienced these problems. I assure him I'm mindful of that. This said, I've taken account of this service's general approach to compensation for distress and inconvenience as set out on our website. I've thought about this approach in light of the errors TSB made and the impact on Mr M.

Banks are staffed by people, and people sometimes make mistakes. Of course, banks should take reasonable steps to avoid making mistakes, but it's unrealistic to expect mistakes will never be made. Having read Mr M's submissions about how TSB

communication impacted him, I don't doubt the errors made by TSB caused Mr M trouble and upset. So, I'm satisfied that compensation is appropriate for this.

I have carefully considered all of Mr M's submissions about how TSB actions impacted him, including the effect of the stress Mr M says was caused by all this on his and the time he had to spend on the phone. TSB has offered Mr M a total of £75 compensation to acknowledge their errors and to put right the impact these caused. That seems fair to put things right here.

I know Mr M is seeking more compensation. But when a business makes a mistake, we often tell them to pay compensation, to acknowledge their error and the impact it had. In terms of the amounts, it's worth keeping in mind that we're an informal dispute resolution service. We're not the regulator, and we're not here to issue fines or to punish businesses. Further, I'm only awarding compensation for TSB's service – as above, I've found the review of Mr M's account to be fair.

Finally, I understand Mr M's unhappiness at not receiving an explanation he was satisfied with from TSB when it sent him its final response letter. And he is frustrated that TSB didn't respond to his email of 17 December 2024. But my role is not to police business complaint handling, but to look at the crux of the complaint to see if an individual consumer has been disadvantaged by a mistake made by the business.

The purpose of the final response letter is to provide an answer to the complainant and give referral rights to this serviced. Mr M was unhappy with the answer he was given, and he referred his complaint to us, so he hasn't been disadvantaged by not receiving a further response.

I've considered Mr M's further comments. But these don't change my conclusions. I appreciate Mr M feels strongly about his complaint and I am sorry to have to disappoint Mr M on this occasion. I hope he understands the reasons for my decision and at least feels he has been listened to. But I won't be asking TSB to anything more to resolve Mr M's complaint.

My final decision

For the reasons I've explained, I am not persuaded TSB Bank plc needs to do anything else to resolve Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 January 2026.

Sharon Kerrison
Ombudsman