

The complaint

Mrs W complains that TSB Bank plc unfairly closed her sole accounts without notice or explanation.

What happened

In December last year, TSB contacted Mrs W and advised her it was closing her accounts immediately. Mrs W complained that this was done without notice or explanation. She says she was left without access to her accounts for several weeks, regular direct debits and standing orders were left unpaid, and she couldn't access her funds to pay for essential living costs. Mrs W had to pay a penalty under one of her ISA accounts, which she feels is unreasonable.

In its response, TSB concluded it had acted fairly and paid Mrs W £30 compensation for poor advice she'd been given. Mrs W remained unhappy and so she referred her complaint to this service. She wants TSB to pay her compensation, reimburse her for the ISA penalty she had to pay as well as pay her interest. Mrs W also wants TSB to explain its closure decision and amend her credit file, so late payments aren't reported.

Our investigator issued their outcome, explaining that TSB had acted fairly. Mrs W didn't agree and asked for a final decision – so the complaint has been passed to me for a final review.

Mrs W's complaint also concerns a joint account, which I've commented on in a separate 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'm not upholding this complaint and I'll explain why.

TSB is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations when providing account services to customers. Those obligations can broadly be summarised as a responsibility to know its customer, monitor accounts, verify the source and purpose of funds, as well as detect and prevent other harm.

To comply with its legal and regulatory obligations, financial businesses will review customers' accounts, which can either be periodic or event driven. Having looked at all the

evidence and information in this case, I'm satisfied that TSB's reasons for review were in line with its obligations.

It's generally for financial institutions to decide whether to provide, or to continue to provide, banking facilities to any particular customer. Each financial institution has its own criteria and risk assessment for deciding whether to open or close accounts.

Providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. However, a bank should still make sure it hasn't exercised its discretion for plainly unfair reasons, or that it was due to a mistake, and it should still comply with its terms and conditions.

The terms and conditions that applied to Mrs W's accounts set out that TSB could close her accounts either by giving at least two months' notice, or in some circumstances it could close the accounts immediately, which is what happened here. So, I've gone on to consider whether in light of its review it was fair for TSB to close her accounts the way it did.

Based on the information I've seen, I'm satisfied that TSB acted fairly and in line with its terms and conditions when doing so. I understand that Mrs W would've liked to have known why TSB closed her accounts. But the bank is under no obligation to explain why it made this decision.

It's important that I point out that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for several reasons – for example, if it contains security information, or commercially sensitive information. Some of the information TSB has provided is information I consider should be kept confidential.

I understand Mrs W's concern given she had to pay a penalty, despite the closure decision being made by the bank rather than herself. However, I haven't seen anything to persuade me that TSB has acted unfairly or outside the terms of Mrs W's accounts. So I won't be asking the bank to reimburse her.

In summary, I've decided that TSB has acted fairly. So I won't be instructing the bank to do anything more regarding this complaint.

My final decision

For the reasons explained above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 8 October 2025.

Abdul Ali
Ombudsman