

The complaint

Mr D and Dr D complain that TSB Bank plc unfairly closed their joint account without notice or explanation.

What happened

Around October last year, Mr D and Dr D say they found out their account couldn't be accessed. TSB later confirmed that their account had been closed.

Mr D and Dr D says this caused them emotional and psychological distress as they have a family to care for, bills to pay and direct debits that were due around the time. Mr D and Dr D say they had to hastily open another account elsewhere and contact the relevant third parties whom their bills were due to be paid to. They want TSB to compensate them for the impact of their account being closed.

In its response, TSB said that its closure decision was fair. And stood by its decision to close Mr D and Dr D's account.

Remaining unhappy, Mr D and Dr D referred their complaint to this service. One of our investigators concluded that TSB had acted fairly. Mr D and Dr D don't agree. So the complaint has been passed to me for a final review.

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 done 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 Mr D and Dr D's account set out that TSB could close their account either by giving at least two months' notice, or in some circumstances it could close the account 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 their account 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 Mr D and Dr D would've liked to have known why TSB closed their account. 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.

Mr D and Dr D says they wasn't notified of the bank's decision to close their account. However, I've seen a letter the bank sent on 4 October advising that their accounts would be closed with immediate effect. I can see the letter was correctly addressed and TSB confirmed it was dispatched. So, on balance, I'm satisfied TSB did enough to notify Mr D and Dr D of its decision.

I appreciate that Mr D and Dr D experienced distress and inconvenience because of the bank's closure decision. But I can only consider making an award if I decide that TSB's decision was unfair – as I've explained, I don't think it was. So, although I empathise with Mr D and Dr D, I won't be awarding any compensation.

To conclude, I'm satisfied that TSB acted fairly when it decided to close Mr D and Dr D's account immediately.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Dr D to accept or reject my decision before 16 September 2025.

Abdul Ali
Ombudsman