

The complaint

Dr D complains that TSB Bank plc unfairly closed her sole account without notice or explanation.

What happened

Around October last year, Dr D says she found out her account couldn't be accessed after attempting to make a payment. After contacting the bank, she was later advised that her account was up and running again – only to discover this wasn't the case. TSB later confirmed that her account had been closed.

Dr D says this caused her emotional and psychological distress as she has a family to care for, bills to pay and direct debits that were due around the time. Dr D says she had to hastily open another account elsewhere and contact the relevant third parties whom her bills were due to be paid to. Dr D wants TSB to compensate her for the impact of her account being closed.

In its response, TSB said that its closure decision was fair. The bank pointed to some service failings and awarded Dr D £30 compensation. It later paid her a further £49.21 for costs incurred during branch visits and calls she made around the time. TSB stood by its decision to close Dr D's account.

Remaining unhappy, Dr D referred her complaint to this service. One of our investigators concluded that TSB had acted fairly. Dr D doesn't agree and points to the level of distress and inconvenience she experienced. So the complaint has been passed to me for a final review.

Dr D's complaint also concerns her 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 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 Dr D's account set out that TSB could close her 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 her 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 Dr D would've liked to have known why TSB closed her 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.

Dr D says she wasn't notified of the bank's decision to close her account. However, I've seen a letter the bank sent on 4 October advising her that her 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 Dr D of its decision.

TSB rightly recognised that it could've provided a better level of service to Dr D, and it paid Dr D compensation because of its error. I haven't seen anything that gives me cause to conclude that TSB should pay further compensation because of its error. I appreciate that Dr D experienced distress and inconvenience because of the bank's closure decision. But I can only consider making a further 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 Dr D, I won't be awarding any compensation.

To conclude, I'm satisfied that TSB acted fairly when it decided to close 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 Dr D to accept or reject my decision before 16 September 2025.

Abdul Ali
Ombudsman