

The complaint

Mr B complains that TSB Bank plc stopped a payment he was making for the purchase of a vehicle.

What happened

Mr B was buying a new car. He contacted TSB several times to discuss making the required transfer of funds from his savings account to his current account and to ask if there would be any problems paying by debit card. He was told that paying by debit card was fine, but that he might get a text message before the payment went through.

However, when he came to make the payment, it wasn't authorised, his card was blocked, and he didn't receive a text message. So, he called TSB. Mr B says he was asked a lot of questions, some of which he says were bizarre - such as, the nearest chemist and supermarket to his home.

But subsequently TSB confirmed Mr B's card had been unblocked but it told him to wait 15 minutes before trying to make the payment again. Mr B waited 15 minutes and the payment was approved.

Mr B says the entire process from when he first tried to make the payment and the payment eventually being authorised took an hour and caused him embarrassment and the salesman was unable to run through all the features of the car with him. So, he complained.

TSB didn't think it had done anything wrong or acted unfairly. It said that while a debit card can be used for the amount and purpose of the transaction Mr B was making, it didn't mean the transaction wouldn't be stopped for a fraud check. And that its staff followed the correct procedures to enable Mr B's card to be unblocked.

Mr B said TSB hadn't considered the impact the matter had had on him which included being embarrassed in the car showroom. So, he referred his complaint to this service. At this point he added that TSB had called him in response to his complaint when he asked it to email him.

One of our investigators looked into Mr B's complaint. But she didn't think TSB had done anything wrong or treated Mr B unfairly. She said the terms of Mr B's account say that TSB can stop payments and they would try to contact its customer in such circumstances. She added that complaint handling isn't something this service can look into.

Mr B didn't agree with the investigator. He said – in summary:

- When he raised his complaint TSB called him rather than emailing him which he had indicated was his communication preference.
- His credit card provider handled a larger than normal transaction more efficiently than TSB.
- His calls to TSB prior to him making the payment indicated that he would receive a

text message if the transaction needed approval, but this did not happen. And he had to call TSB meaning the entire process took over an hour.

- When he bought a previous car, he contacted the bank in advance to warn it about an imminent large transaction, and everything went smoothly, which is why he did the same on this occasion.
- He feels that TSB should have asked different security questions which only he would know the answer to.
- Despite his attempts to mitigate any problems, he was left feeling humiliated and deeply embarrassed. And it felt like a slur on his creditworthiness. So, he thought a compensation payment was warranted.

The investigator considered what Mr B said, but she didn't change her initial findings. As agreement wasn't reached, the complaint has been passed 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.

Having done so, while I recognise Mr B's strength on feeling about what happened, and I don't underestimate the embarrassment this matter caused him, I have reached the same overall conclusion as the investigator. I know Mr B will be disappointed, so I'll explain why.

TSB – like all payment providers, has important legal and regulatory obligations. One of its responsibilities is to - where possible, protect customers from falling victim to financial harm, especially fraud and scams. So, to these ends, TSB needs to monitor accounts and occasionally review transactions.

In doing so, TSB may need to ask questions to be satisfied about such things as (but not limited to): the source of funds held in an account, the purpose of a payment, and the nature of the relationship between a payer and payee. And it can freeze an account or refuse a customer's instruction to make a payment until its satisfied by the information it receives. This is common in the retail banking industry and is set out in this terms and conditions of Mr B's account - which he would have agreed to when the account was opened. But I do understand that Mr B may not have experienced it before.

I acknowledge having such procedures in place can – on occasion, means that legitimate payments get stopped. And I appreciate that this can cause inconvenience and embarrassment to a customer – as it did for Mr B. But it doesn't mean TSB has acted incorrectly or unfairly.

I recognise that Mr B went to some lengths prior to making the transaction to ensure everything went smoothly when he paid for the car – as he says he did when he bought a previous car. But fraud prevention checks are automated – so while some payments may be stopped others will go through without any issues. Ultimately, it's not possible to pre-authorise transactions.

In Mr B's case, I've seen copies of his account statements and these show the transaction he was making was significantly more than payments generally seen through his account. And it was to a new payee. So, I don't find it was wrong when TSB's automated fraud prevention system flagged the payment for additional security checks.

But when this happens, although TSBs account terms and conditions say it will 'try' to contact the customer when a payment is stopped, I would generally expect a business to contact its customer in most circumstances when a payment is stopped. And, Mr B has

pointed out, this is what happened when he made a larger than normal transaction on his credit card. He said he just had to confirm by text that the payment was genuine. But it's for each individual business to decide the level of risk it is prepared to take and, as Mr B has also pointed out, the credit card payment he has referred to was for significantly less than the payment for the car.

Given the circumstances here – the significant amount of the transaction and new payee, I think it's most likely that even if TSB had sent Mr B a text, it would have been to ask him to contact its fraud team. So, I think Mr B would have always needed to call TSB before the payment was authorised. And so, I'm not persuaded that Mr B has been materially impacted because of TSB didn't contact him by text as soon as the payment was stopped.

Mr B has commented on the type of security questions he was asked. I understand Mr B's point given some of the questions it appears he was asked. But different businesses have different procedures in place and it's not for this service to tell a business what procedures it should have or what questions it should ask when checking the authenticity of a payment.

I do acknowledge that Mr B's transaction was genuine, and that what happened caused him inconvenience and embarrassment. But I could only award compensation if I found TSB had done something wrong or treated Mr B unfairly. But for the reasons given above and, taking into account that after speaking with TSB the payment did go through, I don't think it did. Overall, I don't think TSB's actions were unreasonable given all the circumstances.

Mr B has mentioned that after raising his complaint TSB called him rather than sending him an email. And when he received its written response, not all his complaint points had been answered. These complaint points relate to how TSB handled Mr B's complaint handled. But complaint handling is not a regulated activity and therefore not something this service generally gets involved in and I see no reason to do so here.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 September 2025.

Sandra Greene
Ombudsman