

The complaint

Mr W is acting on behalf of his business (T). So, I will refer to Mr W throughout rather than T.

Mr W is unhappy with TSB Bank plc. He opened business accounts with it in January 2023 and everything ran normally until he needed to travel abroad. When he returned in late December 2023, he discovered that his accounts had been restricted, and he was unable to access business funds.

What happened

Mr W said he made numerous calls and sent emails to the customer service team. But he said the account remained blocked for almost 10 months. He said this was due to negligence and mismanagement by TSB.

Mr W listed the calls he had made but said each time he spoke to TSB he got misleading and unclear information. He said he suffered financial and business disruption. Mr W said he missed payments and lost revenue.

TSB said in January 2024 it requested proof of entitlement (POE) details from Mr W. It said he was reminded that his account would stay blocked until the details were received by TSB. TSB said Mr W may have not used capital letters in the email address and that might be why it didn't receive any email from him. It noted he had called in March to check what was going on. It accepted it should have done better and offered £500 for the delays and offered 8% interest on the balance of both business accounts.

Mr W didn't accept this and continued with his complaint at this service.

Our investigator didn't uphold the complaint. She said TSB applied the block in line with its terms and conditions. She noted Mr W was able to use his personal account and said the offer from TSB was fair. She felt if this had been a problem Mr W would have contacted TSB on more than the one occasion in March to resolve the matter. Our investigator said as Mr W had access to alternative accounts, she didn't feel his complaint warranted further compensation.

Mr W didn't accept this and asked for his complaint to be passed to an ombudsman for a final 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 accept Mr W's point that he did make many calls. The vast majority of these were at the start of January 2024 and stopped after the call on 24 January 2024. This was the date Mr W made his complaint. Mr W did call again on March 6 and then there were no further

calls until a couple in July and one in August. The restrictions were in place from 6 September 2023 until 26 July 2024.

Mr W said the restrictions were finally lifted based on the same information he had originally provided in January 2024. He said he wanted 8% interest on the money that had been held in his account for that period. Mr W said he also wanted money for his business interruption, damage to his reputation and the delays. Mr W said he had suffered distress and inconvenience with all the calls and emails. He said his business was disrupted and he expected more compensation. Mr W said his solicitor told him the compensation offered by TSB was lower than he should expect. He felt a much higher figure was warranted.

Mr W said he sent the POE on 24 January 2024.

TSB said the block was applied in line with its terms and conditions. And it said it was clear with Mr W that it couldn't be removed until it had received the relevant POE. TSB said it made attempts to contact Mr W and eventually spoke to him on 28 December 2023. It said it requested the POE on 24 January 2024 and maintained the account would stay blocked until this was received. I think that request was reasonable and is in line with what the account terms and conditions state TSB can do.

TSB accepted there may have been some confusion around whether the email address Mr W could send the details into were lower or upper case. But it also noted only once in March did Mr W call to chase this up. Although it did accept it didn't act on his March call. This led to TSB accepting mistakes had been made. So, it made the offer of £500 for the delays, difficulties, disruption and distress and inconvenience for the period from January to July 2024. It also offered the 8% interest on the balance of both accounts for this period too.

TSB referred to having to follow regulation and rules that it can face penalties for if it doesn't comply. It confirmed that sometimes account blocks are required to allow extra security checks. TSB said it couldn't give out details of why the block occurred as it needs to maintain the effectiveness of the security measures. I accept that.

TSB reiterated that it did try to contact Mr W "several times" prior to placing the block but it seems this must have been while Mr W had already gone abroad.

TSB said it never received the POE in January. It said it only received it when Mr W re-sent it on 10 July 2024. It said it then completed the account review and removed the block on 26 July 2024. It noted Mr W removed all his funds shortly after this and said Mr W had continued to trade from his personal account throughout the blocked period.

It does appear most of the discussions around the account block took place in January and July 2024. There's no reason to doubt either parties position about when attempts were made through calls or emails to reach out to each other and try to resolve the matter. Mr W referred to emails he sent 24 January (which he said was acknowledged by TSB) and 10 July 2024. But the key reason why the block wasn't removed at the end of January is that TSB didn't get the POE details when Mr W said he sent it.

It seems that neither side really chased up on this afterwards apart from the one call from Mr W in March 2024 that TSB didn't act upon. So, I think when it realised and reviewed its errors TSB was right to make an offer and I think it's offer is fair and reasonable in the circumstances. It claimed it never received the original information despite Mr W stating he did get an acknowledgement. Either way it's clear that the customer service could and should have been better.

But I accept that TSB don't think the block caused extensive problems for Mr W in running his business. It noted he used his personal account for business, only chased up once by phone and didn't follow up further on email until July.

Overall, it is clear that TSB did make mistakes and did cause Mr W delays in getting his business accounts up and running again. But I think the £500 offer and the offer of 8% interest on the balance of both accounts for the period between January and July is a fair and reasonable one.

Mr W made further later points about missing payments to eBay and PayPal. But as our investigator noted these weren't part of Mr W's original complaint TSB has dealt with. So, I can't make any findings on this. Mr W would need to raise these issues firstly with TSB.

Mr W has mentioned his solicitor during this complaint, and I confirm Mr W is perfectly entitled to take legal action against TSB if he declines to accept this final decision.

Putting things right

- Pay £500 compensation.
- Pay 8% interest for the period between January and July 2024.

My final decision

I uphold this complaint.

I require TSB Bank Plc to:

- Pay £500 compensation.
- Pay 8% interest for the period between January and July 2024.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 7 August 2025.

John Quinlan
Ombudsman