

## **The complaint**

Mr Y complains that TSB Bank plc allowed him to make transactions to a website, which they said they had blocked. He would like a refund of the transactions after the block was meant to be in place, along with compensation.

## **What happened**

Mr Y had a TSB current account. In January 2025, TSB asked him to get in touch about a transaction he'd attempted because it had been flagged for a security check.

Mr Y called TSB to provide more information about the transaction. After discussing with the call handler, they decided that they weren't going to authorise the transaction because they were concerned about the legitimacy of the merchant. The call handler advised that Mr Y wouldn't be allowed to make any further transactions to this merchant and recommended that Mr Y withdraw any funds (winnings).

Mr Y did this. Then on 9, 10 and 11 February Mr Y made further transactions to this merchant. On 11 February Mr Y complained to TSB and explained that a block was meant to be in place. On 13 February he made two further transactions to the merchant.

TSB responded to Mr Y's complaint and explained he had been given incorrect information during the call in January 2025. They confirmed that they couldn't block a single merchant, and their gambling block also didn't work for merchants outside of the UK, or for faster payments (which is what Mr Y used). They paid £100 compensation for the misinformation they'd given, but did not agree to refund the transactions that had been applied to the account after the 'block' was meant to be in place.

Mr Y was still unhappy and brought his complaint to this service. One of our Investigators considered the matter. They agreed that TSB had given wrong information about the block placed on the account in January – but thought the compensation they'd offered was fair. They didn't think TSB should refund the transactions that followed the call, because they thought the consumer should've recognised the block wasn't working properly and should've stopped making further transactions. They also didn't think TSB were aware that Mr Y had a gambling problem and as such didn't think they needed to take extra steps to support him with this.

Mr Y disagreed. He said that he was a vulnerable consumer, and the investigator hadn't taken account of the relevant rules and regulations. He also referred to Consumer Duty and said TSB had a duty of care to ensure he wasn't caused foreseeable harm, amongst other things. The investigator considered what Mr Y said, but it didn't change their mind. Because an agreement couldn't be reached, the complaint has been passed to me to consider.

## **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 issued a provisional decision recently which said the following:

*'I've listened to the call Mr Y had with TSB in January about the transaction that was stopped. The call handler says " ...you won't be able to make any further payments to this site from now on." So, I'm satisfied that Mr Y left the call with the impression that he'd no longer be able to make transactions to this merchant from his TSB account.*

*TSB has since explained they haven't got the ability to block a single merchant and the transaction Mr Y made was a faster payment, which isn't caught by TSB's gambling block. So, it follows that I think Mr Y was given misleading information during this call and there was no way for TSB to prevent Mr Y from making transactions to the merchant. Therefore, there wasn't any preventative measures in place, even though Mr Y thought there was.*

*Given that I'm satisfied TSB gave incorrect information, all that's left for me to decide is whether the compensation paid by TSB is fair, and whether they should refund Mr Y any of the transactions he made following the call in January.*

*I've given this a lot of thought and I'm proposing that TSB pay more compensation to Mr Y for the misinformation they gave him. But I'm not going to ask them to refund the transactions he made on 9, 10 and 11 February. I'll explain why in more detail.*

*During the call with TSB, Mr Y refers to using another account with a different banking provider when making gambling transactions to this specific merchant. So, I think it's more likely than not, that he still would've gambled on 9, 10 and 11 February had TSB's block been put in place – as he thought it was.*

*But, I think TSB mis-led Mr Y into thinking he'd no longer be able to gamble with this specific merchant, which is the website he'd usually go to if he was in a compulsive state. Had he not been assured this in the call; he could have explored alternative ways to deter the spending such as Gamstop tools and website blocks. So, the false information led Mr Y into believing that he had preventative measures in place to avoid future spending and I think more should be done to recognise this.*

*TSB has already paid £100 for the misinformation given, but I do not think that reflects the distress caused to Mr Y. Mr Y attempted the transactions, whilst in a compulsive state assuming they wouldn't go through. He was left shocked and worried when he realised what had happened and called on 11 February to find out what had gone wrong. I think £300 is more appropriate given Mr Y's vulnerabilities, and the knock-on impact the misinformation caused him.'*

I gave both parties the opportunity to respond to my provisional decision, and both did.

Mr Y disagreed. He provided evidence which he said proves that when gambling blocks were put in place with other banking providers, this prevented him from gambling. So, he thinks if the block had been put in place as was suggested by TSB, he wouldn't have gambled and so he should have the gambling transactions refunded. Also, he asked why TSB couldn't continue to 'stop' the transactions for security checks like they had previously. If they had continued to do this, it would've prevented him from gambling.

TSB also disagreed with my provisional decision. They said the increased compensation was excessive and that the responsibility to prevent Mr Y from gambling was being placed on TSB, not Mr Y. They saw their mistake as a small error, and thought the original offer of £100 compensation was fair.

I've thought about what both parties have said, but it hasn't changed my mind. I've explained why below:

Mr Y has provided statements from other banking providers which show there is no gambling, after a block has been applied. But TSB has confirmed that they couldn't block the individual merchant, so this was never going to be an option. The standard gambling block TSB offers, also does not prevent faster payments, which is the method Mr Y used to deposit money with the merchant. So, even if the gambling block had been applied via the app, Mr Y's gambling transactions would've still gone through.

Also, although Mr Y has provided bank statements from other banking providers, I still do not think this shows he wouldn't have gambled on 9, 10 and 11 February. Mr Y could've used an alternative method to deposit money with the merchant or used an alternative account.

The initial transaction that was stopped to the merchant in question, was done so because it flagged on TSB's fraud detection system, for security checks. This is an automated system and not something that TSB can use to prevent further transactions. Fraud detection systems are always changing and updating to try and prevent the latest fraud trends. As such it could be that TSB's fraud detection system flagged this transaction one day but might not necessarily the next. I'm satisfied this isn't something TSB could use as a preventative measure for Mr Y going forward.

I have taken on board TSB's comments about the compensation I've awarded for distress and inconvenience being high – but I don't agree.

The mistake made during the call wasn't a simple administrative error – I consider it to have been quite significant. Mr Y was led to believe a block had been put on his account, which would prevent him from gambling in this way, to his preferred gambling merchant. That was incorrect.

When Mr Y then tried to gamble using his TSB account (whilst in a compulsive state) the transaction went through. I've not asked TSB to refund the transactions because I agree Mr Y is responsible for his actions. But I do think he was misled into believing there was a preventative measure in place – when there wasn't. This meant he didn't explore other avenues to stop him from using this website. Whilst in a compulsive state, Mr Y gambled a lot of money, and the misinformation has caused him distress and inconvenience. When he realised what had happened, he was left concerned and shocked, and he had to call TSB again to explain that what he'd been told wasn't right.

### **Putting things right**

TSB should pay £300 compensation for the distress and inconvenience caused (less any compensation already paid).

### **My final decision**

For the reasons I've explained above, I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 10 October 2025.

Rachel Killian  
**Ombudsman**