

The complaint

Mr M's complaint relates to the service provided by TSB Bank plc when he had a Lasting Power of Attorney ('LPA') registered on his account and there was a dispute between the two people who held power of attorney ('POA') at the time to manage his account.

The complaint has been brought by Mrs L, who was previously one of the attorneys and who is authorised to act as Mr M's representative in bringing this complaint.

What happened

The background to this complaint concerns a dispute between the two (former) attorneys appointed under Mr M's LPA concerning his competency and ability to run his account. TSB took steps to protect Mr M's account whilst the matter was resolved. Ultimately, the LPA was revoked by the Office of the Public Guardian ('OPG') which had the effect of removing the POA from Mrs L and the other attorney and (with Mrs L's assistance) Mr M moved his account to another bank.

TSB received a complaint from Mrs L who raised a number of issues which included (but weren't only limited to) concerns that TSB:

- was enabling the other attorney to financially abuse Mr M, and that
- the bank's actions in applying restrictions to the account were unfair and unlawful, and
- it acted unreasonably and without regard for Mr M's health or the practical difficulties involved when it required Mr M to attend a branch, and
- it required joint signatures from both attorneys to authorise withdrawals from Mr M's account, and
- TSB didn't deal as it should've done with the question of Mr M's capacity (to manage his account).

TSB said it had acted throughout in line with its duty to safeguard the money in Mr M's account – but agreed it had made some mistakes and paid £200 compensation by way of an apology for this poor service.

Unhappy with this response, Mrs L brought the complaint to us. When our investigator looked into what happened, he thought that TSB had done enough to put things right. He felt that TSB's decision to block Mr M's account (one of the main reasons why Mrs L had brought the complaint) was a normal process when there was a dispute between attorneys and reasonable action for TSB to take here. And his view was that the £200 TSB paid in respect of admitted processing errors was fair to resolve the complaint overall.

Mrs L disagreed, saying that TSB had discriminated against Mr M when it accepted that he had lacked capacity solely in reliance on what the attorneys had previously said, even though Mrs L had since changed her mind on this point and there was new evidence contradicting this assessment. She said this was: *'...both a safeguarding failure and potentially discriminatory under the Equality Act 2010 and Mental Capacity Act 2005.'*

Further correspondence followed but the investigator still thought that it was fair and reasonable for TSB to take the information on the POA form at face value and to have relied on the assertion made by both attorneys that Mr M no longer had capacity until this was resolved by the OPG.

On behalf of Mr M, Mrs L asked for an ombudsman to review the complaint, so it has come 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.

I've carried out an independent review and having done so, I've reached the same conclusion as our investigator and for the same reasons.

Whilst I appreciate how strongly Mrs L feels about the way TSB has responded to the concerns raised and she has unanswered questions, I've approached this complaint in a way that reflects the informal service we provide. My role is to consider the evidence presented by the parties and reach an independent, fair and reasonable decision based on the facts of the case and the evidence provided by both sides. In doing so, I may not address every single point or question raised and I've mostly summarised what Mrs L has said in my own words. But it doesn't mean I haven't considered all the evidence and what's been said – it just means I haven't needed to specifically refer to everything in the same detail as Mrs L in order to reach a decision in this case.

I will concentrate in my decision on the main points that affect the outcome of this complaint. To uphold this complaint there would have to be persuasive evidence that made it more likely than not that TSB had done something wrong or acted unfairly or unreasonably and not done enough to put things right. So that's the focus of my decision.

As Mrs L has mentioned the Mental Capacity Act 2005 and the Equality Act 2010, I think it might be helpful if I explain at the outset that we can't make findings on whether or not something is unlawful in breach of the Mental Capacity Act 2005 or constitutes discrimination under the Equality Act 2010. This is because we are an informal alternative to the courts and only a judge can give a formal decision on whether or not the law has been broken. I have however taken into account the relevant law, including the legislation she's referred to, as well as regulatory requirements and best industry practice when deciding whether or not TSB has acted in a fair and reasonable way here.

Mrs L complained that when TSB suggested that Mr M needed a full capacity assessment this amounted to discrimination against someone who had his particular mental health condition. Especially where, she said, other professionals had done the correct assessment based on his ability to make decisions and his mental recall.

But Mrs L and the other attorney registered under the LPA with TSB had told TSB that Mr M didn't have mental capacity.

It's my understanding that assessing mental capacity isn't straightforward and someone can have capacity for some purposes but not all. Anyone involved in supporting or caring for a person who might lack capacity can assess their mental capacity. So I think it was reasonable for TSB to rely on the information it was given by Mrs L and the other attorney when they indicated that Mr M lacked capacity. The fact that Mrs L later said she'd misunderstood the question about capacity and made an error when she'd answered it and other agencies, including the OPG, subsequently said that Mr M had capacity to manage his bank account doesn't affect my view on the reasonableness of TSB's actions at the time.

I've also taken into account that TSB wasn't able to feel reassured about Mr M's capacity after speaking to him by video call. And TSB said it tried to arrange a face-to-face meeting with the parties to see if matters could be resolved - which was declined at the time by one of the parties and didn't go ahead. So given that TSB had reasonable grounds for believing that Mr M's capacity was in issue, I think it was appropriate to suggest he should attend a branch with Mrs L to see if this would allay TSB's concerns.

As the account was blocked until the attorney dispute was overtaken by events when the LPA was revoked, I think it was fair and reasonable for TSB to require both attorneys to sign for withdrawals or to close the account. The LPA was joint to sign and this would mean visiting the local branch, as had happened when Mr M made a withdrawal. Otherwise, the account continued to operate with incoming credits and regular credits and debits being allowed. This avoided the risk that Mr M might be seriously financially prejudiced as a result of the attorney dispute and the limitations on what this meant TSB could safely do without putting his money at risk.

When the block was removed TSB explained that Mr M could complete the online form for closing accounts via its website and recommended switching the account as the easiest option for Mr M to move to another bank.

Nonetheless, TSB has agreed it provided a below par customer experience when it didn't order a debit card for Mr M when it said this would happen.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint and I've thought carefully about the impact on Mr M of TSB's admitted poor service.

TSB said a previous error was made when it set up a Standing Order on Mr M's account without the correct authority. TSB cancelled this when it realised it had been incorrectly set up and compensated Mr M by crediting his account with £400. Mr M hasn't said anything about this so I've assumed he was happy to accept that payment – and based on everything I've seen here, that seems a fair resolution to me.

I haven't been provided with anything to show that Mr M incurred any direct financial loss due to TSB's poor service in relation to the delay providing him with a debit card. And I am satisfied that the £200 payment for distress and inconvenience for this matches the level of award I would make in these circumstances had it not already been paid by TSB. It fairly reflects the impact and extent of TSB's service failings here – keeping in mind that I haven't seen enough to be able to uphold Mr M's main complaints about TSB not dealing correctly with the capacity issue and blocking his account. The amount is in line with what this service would award in similar cases, and fair compensation for Mr M in his particular circumstances.

Although I appreciate that my findings are likely to come as a disappointment to both Mr M and Mrs L my conclusion is that, for the reasons I've explained, TSB does not need to do anything further.

I hope that setting things out as I've done is helpful.

My final decision

My final decision is that I don't uphold this complaint as I am satisfied that TSB Bank plc has already done enough to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 December 2025.

Susan Webb
Ombudsman