

## The complaint

Miss C complains TSB Bank plc (“TSB”) closed her accounts without consent nor warning and have unfairly withheld her funds. Miss C adds that despite her numerous attempts by phone and letter she’s been unable to reclaim her funds, and TSB made an unreasonable demand for a UK utility bill given she resides abroad.

Miss C says TSB’s actions have caused her significant distress, inconvenience and financial loss as she has been deprived access to the funds she otherwise would have invested or earned interest on.

To put things right, Miss C wants TSB to return her funds plus 8% statutory interest from the date the account closed; pay her £800 for the significant distress and inconvenience she’s suffered; and provide a full transaction history from April 2020 to the date of closure.

## What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

TSB closed Miss C’s account in June 2021. Unhappy with TSB’s decision, and the delays in getting her funds returned, Miss C complained. TSB upheld Miss C’s complaint in part. In summary, the key points it made were:

- In October 2019, mail that TSB sent to Miss C’s registered UK address had been returned. So, TSB applied a ‘wrong address’ indicator on her account. Under the terms and conditions of the account, Miss C is obligated to inform TSB of any change of address. Miss C didn’t do this until she wrote to TSB in December 2021
- In March 2021, the account was flagged for a review and TSB needed information from Miss C. A letter about this was prepared, but it couldn’t be sent as TSB didn’t have a correct address for Miss C
- A decision was then made after the review to close Miss C’s account with two months’ notice in April 2021. The letter of notification was prepared but couldn’t be sent for the same reason as before
- Miss C’s accounts were closed in June 2021, but a cheque for the balance couldn’t be sent to Miss C as TSB didn’t have a correct address. Its possible Miss C became aware of the closure at this point as her online banking would have ceased
- Miss C didn’t contact TSB until December 2021 when she sent a letter saying she wanted her closing balance transferred internationally. Although Miss C enclosed a copy of her passport, she didn’t sign the letter. TSB wrote to Miss C at the address she had provided in her letter to resend her correspondence with her signature. And to confirm the account number for the funds to be sent to as Miss C had provided a card number
- In April 2022, TSB received a letter from Miss C in which account details were provided – however Miss C again gave her card number and not the account number. But as Miss C had mentioned ‘debit card’ in this letter, the matter was

erroneously sent to its Disputes Team. This led to no further action being taken. TSB can't see Miss C contacted it again until she raised this complaint in July 2025

- TSB was sorry for the upset caused when it didn't respond to Miss C's April 2022 letter. TSB asked for the required bank account details and a utility bill showing Miss C's address for it to send the funds to her. TSB offered to pay Miss C £200 for the upset caused, and 8% interest for the funds held in Miss C's savings account from 19 April 2022 – when it received Miss C's letter which TSB should have acted upon differently – up until settlement
- Miss C should provide evidence of the costs she says she has incurred for telephone calls and postal costs for TSB to consider

Miss C didn't agree with what TSB said and referred her complaint to this service. I note Miss C has articulated her complaint further in response to what TSB said. In summary, her key points are:

- TSB falsely said she didn't contact it until 6 December 2021, she did so between July and August 2021 to get a mailing address
- TSB have lied that they wrote to the address Miss C had provided as her 2021 letter only contained an email address. Nor did TSB email her about the 'missing signature' issue
- TSB didn't email Miss C about not providing an account number given she had provided a debit card number in error. Miss C wasn't told about this issue either when she called TSB
- Requesting a UK utility bill when Miss C lived overseas is disproportionate and contravenes FCA rules

One of our Investigator's looked into Miss C's complaint, and they recommended it was part upheld. In summary, the main points they made were:

- The account terms say Miss C should update TSB if there are any changes to her personal details like her address. So, it's Miss C's responsibility to have done so and she didn't. Because of this TSB couldn't contact Miss C when it needed to. TSB couldn't reach Miss C either when it attempted to call her in March 2021
- TSB's decision to close Miss C's accounts following a review was fair. And TSB couldn't provide the two months' notice it wanted to Miss C as it didn't have a valid address for her
- TSB couldn't verify Miss C's letter it received in December 2021 as it wasn't signed. They appreciate Miss C says she wasn't told about this, but TSB sent another letter to the address provided by Miss C saying it needed her letter signed
- It wasn't until April 2022 that TSB received a follow up letter from Miss C which gave a card number for the overseas account, but a card number wasn't sufficient to transfer the funds
- But TSB say it didn't properly respond to this letter as it should have. Had TSB done so, it's likely the funds would've been sent to Miss C sooner. Because of this, TSB's offer of compensation and 8% interest is fair

Miss C didn't agree with what our Investigator said. I'd like to assure Miss C that I have carefully considered everything she has said in response, even if I don't expressly reiterate everything in detail here. In short, the key points Miss C made were:

- The illusion of notification and an impossible burden of proof: The burden of updating Miss C's address is entirely upon her. But by unilaterally closing her account TSB severed all access and stripped Miss C of the ability to obtain relevant records. The two-month notice holds no legal validity as it was sent to an invalid address

- Process of 'Obstruction by Procedure', not resolution: The Investigator's view treats the request for a signature and account information as isolated reasonable actions. In her initial call to TSB, the agent failed to stipulate the signature requirement. It is factually impossible that TSB sent a letter to an overseas address Miss C provided as her letter prior only contained an email address and no overseas personal residential address. TSB could have emailed Miss C given she had provided her email address
- TSB claim the second letter from Miss C failed because she provided a card number. This is a shifting excuse – the banking details in both letters were identical, and TSB only cited the missing signature. TSB acted unfairly and were obtrusive by its procedure
- Unjust enrichment: Interest should be paid from when Miss C lost access to her funds in June 2021, and any date after this awards TSB for the interest free use of her money
- Breach of duty and true measure of compensation: £800 compensation reflects accurately the suffering Miss C has endured over four years, for her anxiety, international calls and the inconvenience caused by TSB's bureaucracy

As there was no agreement, this complaint has been passed to me to decide.

### **What I've decided – and why**

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Miss C and TSB have said before reaching my decision.

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, I have decided to uphold this complaint in part. I'll explain why.

The terms and conditions of the account say Miss C must update TSB of any change in her personal details which include her address. Miss C is unequivocal that she resides abroad, so I'm satisfied that she ought to have told TSB about this change and update it with her address instead of keeping a UK address. This failing on Miss C's part in turn caused TSB's letter to be returned to it, and TSB then marked her address as incorrect.

Given what happened and the risk of sending correspondence to an address that appeared to be incorrect, I'm satisfied TSB acted fairly and reasonably in not using this address anymore for correspondence. After all, doing so carried a financial harm risk to both Miss C and TSB given personal information could be shared with an unknown third-party. So, I don't agree there was an unfair or onerous burden upon Miss C to have updated her details. After all, only she had the information that TSB needed to update her records.

TSB is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. TSB is also required to carry out ongoing monitoring of an existing business relationship. That sometimes means TSB needs to restrict, or in some cases go as far as closing, customers' accounts.

TSB decided to close Miss C's account after it had attempted to contact her and following its review. Having carefully considered its reasons to do so, I'm satisfied it did so fairly and in line with its terms and conditions. The terms and condition say TSB can close an account in the same way a customer can with two months' notice. And in certain circumstances, with less notice. I note what Miss C says about not being put on notice given she wasn't provided anything communicating this. But how could TSB send her the notice if it didn't know her address. So, I don't think TSB did anything wrong in not dispatching the letters I've seen it had prepared to notify Miss C of its intention to close her account.

It's not uncommon that emails are not sent when such important personal details would be contained in them to ensure safeguarding against the risk of fraud. So, I don't think TSB acted unreasonably by not sending an email here.

Miss C says that TSB should have told her to sign the letter when she spoke to one of its agents. There isn't a call recording available for this conversation – so I can't make a finding of fact based on this. But I do think TSB acted fairly in saying that it needed the letter signed, with a clear indication of Miss C's address attached and an account number for the funds to be internationally transferred to when it sent her a letter in December 2021 – of which I have seen a copy. I say that because, the first letter Miss C sent which TSB received in December 2021 had a forwarding address attached to it through an ancillary international post slip. I have seen this and can see why TSB used this address. I also question why Miss C didn't incorporate her residential address in the body of that letter given she knew about this issue or at least was aware she was now living overseas.

TSB accept that it should have acted differently and so got things wrong when it received Miss C's second letter in April 2022. That's because instead of erroneously sending it to the wrong internal team, TSB should have followed up on this with Miss C which likely would've resolved matters at that point. So, I think TSB's offer to pay 8% simple interest from this point on the funds is fair and doesn't represent unjust enrichment given TSB hadn't done anything wrong up until that point.

I also think TSB's offer of £200 compensation for the distress and inconvenience caused is both fair and reasonable, and in line with this service's approach to such awards. I say that because I can't see that this account was Miss C's main account particularly as she lived abroad, so the impact to her is mitigated by this. Nor have I seen any evidence of the phone calls and substantive postal fees Miss C says she incurred. In terms of the postal fees, I think Miss C should also reasonably incur any such costs given her obligation to update TSB with her correct contact details – something she failed to do. Had Miss C done this before moving abroad, its highly probable the series of unfortunate events that infolded would have been avoided.

Lastly, and for completeness, Miss C should provide TSB with verification information it has asked for, like an international proof of address. This will allow it to process the release of her funds. TSB has security measures it must adhere to which includes verifying Miss C as the true account holder.

### **Putting things right**

To put things right, TSB must:

- Pay Miss C £200 compensation
- Pay 8% simple interest on the total funds it was holding for Miss C from 19 April 2022 until settlement\*
- Provide Miss C with account statements as she has requested from April 2020 to the date of closure – if TSB hasn't done so already

Miss C should provide this service, if she hasn't already, with her overseas banking details which should include the bank name, account number, sort code, SWIFT number and any other international payment code or reference. She should also provide TSB with verification information as detailed above.

\*If TSB considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss C how much it's taken off. It should also give Miss C a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

For the reasons above, I have decided to uphold this complaint in part. TSB Bank plc must now put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 23 December 2025.

Ketan Nagla

**Ombudsman**