

The complaint

Mr H is unhappy that TSB Bank plc said it may close his account when responding to a complaint he had raised with it.

What happened

Mr H complained when TSB declined an application for its Emergency Flee Fund (EFF).

TSB didn't uphold the complaint. And when explaining its reasons why (in its final response letter) it also said that it considered the relationship between it and Mr H had broken down due to the number of complaints he had raised about the service it had provided. It suggested that Mr H may wish to consider alternative banking arrangements. And that it may make the decision at some point to close his account.

Mr H contacted TSB again about both its decision on his EFF application and what he said was a threat to close his account. TSB explained that its EFF was not a regulated product and maintained that its decision to decline Mr H's application was correct. And it apologised if its response had upset Mr H. But it said that – in line with the account terms and conditions, it can close an account if it feels the relationship with a customer has broken down.

Mr H referred both issues to this service. But our investigator didn't we could consider a complaint about TSB's EFF. She said we can only consider complaints about regulated activities. And she didn't think TSB's EFF was a regulated activity. She added that Mr H's concerns about TSB suggesting it may close his account had been raised after TSB had issued its final response to his original complaint. So, she said Mr H had to raise that issue with TSB before we could look into it.

Mr H didn't agree he said TSB is a regulated bank and the provision of his current account is a regulated activity.

As agreement wasn't reached, Mr H's complaint was passed to me to decide if it's a complaint we can consider. And I issued a provisional decision.

It's important to explain here that in my provisional decision I gave my provisional findings on both issues – the EFF and TSB's warning about potentially closing Mr H's account. As one of these issues is about whether we have the power to consider the complaint and the other is a complaint we can look into, I have issued two separate decisions.

So, for clarity this decision addresses Mr H's complaint about TSB's saying it may close his account. Mr H will receive a separate decision about his application for the EFF being declined.

Extract from my provisional decision dated 15 October 2025

Our investigator said we couldn't look into Mr H's complaint about TSB stating it may close his account. She said this complaint point hadn't been addressed by TSB before being raised with this service.

But Mr H has provided a copy of further correspondence he received from TSB after it had issued its final response letter (FRL). I find this letter follows on from its FRL and addresses Mr H's concerns about it potentially closing of his account. So, I think this is a complaint point we can look into now. And, as I'm issuing a provisional decision at this stage – which both parties have an opportunity to respond to, I now intend to set out my provisional findings on this complaint point.

This service cannot tell TSB (or any bank) that it must maintain a customer relationship. But I can consider if TSB is acting fairly in saying it may look into ending its relationship with Mr H. From what I've seen, TSB said it felt its relationship with Mr H had broken down given the number of complaints he raised about it.

I think it's important to acknowledge that a consumer is entitled to complain when they feel things have gone wrong or they have been treated unfairly. It's not clear how many complaints Mr H has raised or whether they are complaints that TSB has upheld or not upheld. But I'm persuaded that Mr H has had repeated concerns about the level of service that TSB is providing to him. So, I can see why TSB considers its relationship with Mr H has broken down.

Mr H has quoted regulations which he feels support his point that TSB is treating him unfairly by saying it may close his account. But most banks (and other firms offering banking services) are under no obligation to continue to offer banking services if they do not consider it appropriate to do so provided they act fairly and comply with any contractual or regulatory obligations. For example, any decision to close an account should not be made because of unfair bias or unlawful discrimination and usually the customer must be provided with sufficient notice to enable them to find alternative arrangements. Ultimately TSB is entitled to decide that it no longer wishes to offer banking service to Mr H. Just as Mr H is entitled to choose to close his account with it.

Given the above, I don't think TSB did anything wrong when it suggested that Mr H may wish to consider alternative banking arrangements and indicated that it may decide to close his account in the future. So, I don't intend to uphold this complaint point.

From what I've seen so far, TSB hasn't yet ended its relationship with Mr H. If this happens and Mr H thinks TSB's decision is unfair (given what I've said above) he can raise a new complaint with TSB. If he then remains unhappy with TSB's response, he may be able to refer that matter to us.

Responses to my provisional decision

TSB didn't provide any further comments for me to consider. Mr H said – in summary, that it's unfair for TSB to threaten to close his account because he has exercised his right to complain. He added that the tone of the letter caused him distress and fear of losing essential banking services.

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.

Mr H has responded to my provisional decision in detail, and he has quoted various DISP Rules and regulations. So, I want to reassure Mr H that although I won't be addressing every point he has raised, I have read and considered everything he has said and provided.

TSB has explained that it feels that its relationship with Mr H has broken down due to the number of complaints he has raised about the service it has provided to him. I think it's important for me to stress that I do agree with Mr H that he is entitled to complain when he feels things have gone wrong or he has been treated unfairly. But as I explained in my provisional decision, TSB (like most banks and other firms offering banking services) is entitled to close an account, just as Mr H may close an account with it.

I appreciate that Mr H has been upset by TSB comments. And I can understand that making alternative banking arrangements (if the need arises) can be distressing and inconvenient, but I'm not persuaded that TSB acted unfairly when it told Mr H that it may close his account at some point in the future.

This service can look into complaints about whether a bank has treated a consumer fairly when closing an account as such decisions must comply with the terms and conditions of the account and other regulations. But here, TSB hasn't yet closed Mr H's account.

If TSB does decide to close Mr H's complaint and he thinks the decision is unfair (given what I've said above and in my provisional decision) he can raise a new complaint with TSB. If he then remains unhappy with TSB's response, he may be able to refer that matter to us.

Overall, while I'm sorry to disappoint Mr H, I won't be telling TSB to take any further action in respect of this complaint.

My final decision

For the reasons given above and in my provisional decision I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 December 2025.

Sandra Greene
Ombudsman