

## **The complaint**

Mr M complains that TSB Bank plc (“TSB”) closed his account without providing him with an explanation as to why and is unhappy at the way TSB handled his complaint. In particular, Mr M is unhappy TSB closed his account and removed his online and mobile banking access while his complaint was still ongoing.

## **What happened**

TSB issued a letter of closure of Mr M’s account with it on 9 September 2025 giving him two months’ notice that his account would close on 8 November.

Mr M provided a detailed submission to TSB on 12 September including evidence of a payment he’d received and raised a complaint regarding TSB’s decision to close his account.

TSB received this and after further review decided to go ahead with the account closure. TSB didn’t uphold Mr M’s complaint and issued its final response on 21 September. It said following a review of his account in line with its banking processes it had made the decision to close his account and that this isn’t a decision that would change. TSB said the decision was in-line with the terms and conditions of the account which say it is able to close a customer’s account at any point and it would not provide a reason for this.

Mr M was dissatisfied with this and raised further complaint points on 25 September, but as TSB had already issued a final response which provided his referral rights to this service no further response was given.

Mr M says he contacted TSB on numerous occasions about this and was told his complaint was still being reviewed.

Mr M’s account was closed on 8 November and following this his internet, mobile and telephone banking cancelled.

Mr M was unhappy with this and so brought his complaint to this service. Mr M believes TSB took the decision to close his account unfairly and wants his account reinstated, a written apology and £500 compensation.

One of our investigators looked into Mr M’s concerns and explained that this service doesn’t have the power to look into how TSB handled Mr M’s complaint, but rather our role is to look at whether the outcome of Mr M’s complaint was fair and reasonable.

And having done so they reached the conclusion that TSB was under no obligation to continue offering an account to a customer if it doesn’t wish to or provide a reason for the closure. And as it had closed the account in-line with the terms and conditions providing two months’ notice they were satisfied TSB closed Mr M’s account correctly.

They advised that if Mr M wished to find out more about why his account was closed, he could make a subject access request through relevant websites.

Mr M disagreed and says TSB failed to investigate his complaint properly and when challenging its decision failed to provide a response.

Mr M says proceeding with the closure of his account while the complaint was under investigation was unfair and misleading and that the removal of all banking access prevented him from managing his day-to-day finances causing distress and hardship during an unresolved dispute. Mr M has asked for an ombudsman's decision on the matter.

### **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.

Firstly, as well as being unhappy with TSB's decision to close his account without an explanation, much of what Mr M is unhappy about is regarding the service he received during the investigation of his complaint. But I should point out here that this service doesn't supervise, regulate or discipline the businesses we cover. And my role isn't to punish or penalise businesses for their performance or behaviour – that's the role of the regulator, in this case the Financial Conduct Authority.

So I can't look at TSB's internal complaints procedures or processes or responses and tell it what it must do and even if it was in this service's power to do so, as complaint handling isn't a regulated activity, we wouldn't be able to look at Mr S's complaint if it solely related to this.

So the focus of my decision – and the crux of Mr M's complaint – will be on whether TSB did anything wrong or treated Mr M unfairly when it took the decision to close his account. But I won't be looking at how TSB investigated his complaint or the processes it followed regarding this.

As has already been explained by our investigator, as a general rule TSB isn't obliged to continue offering an account to a customer if it doesn't want to – providing banking services and facilities and to who is a commercial decision and not something for me to get involved with. That being said it wouldn't be fair for TSB to suspend or close Mr M's account outside the terms and conditions of the account.

The terms and conditions of the account say that a customer is able to end an agreement for any reason and they don't have to tell it in advance and that TSB can end the agreement without telling the customer in advance for a number of specified regulatory reasons, but is also able to close an account for any other reason with two months' notice.

In this instance TSB provided Mr M with two months' notice of his account closure and the account was closed following this.

I appreciate Mr M had raised a complaint in-between receiving notice of TSB's decision to close his account and the account closing, but this doesn't stop the clock ticking regarding the closure date or make TSB's decision about this invalid and so I'm satisfied TSB was entitled to close Mr M's account in line with the notice given and the terms and conditions and that no error or mistake has been made.

I appreciate that TSB's closure letter and text alerts included incorrect wording implying Mr M had requested the closure of internet banking and text alerts and this may've caused Mr M some confusion. But I don't think this made a difference to the overall impact the closure of Mr M's account had on him as Mr M knew his account was closing and regardless of the wording of these communications Mr M's account still would've closed on the same day.

I accept that the account closure has caused some inconvenience and distress as Mr M no longer had access to his account or online or telephone banking, but Mr M had been given two months' notice that this was going to happen - which I think is a reasonable time to put in place alternative banking arrangements - I don't think TSB treated Mr M unfairly here.

I appreciate Mr M would like to know why TSB made the decision to close his account and receive a written explanation for this. But TSB aren't obliged to keep offering services to customers or provide a reason for the commercial decisions it takes, just as Mr M wouldn't be expected to say why he chose a particular bank to transact with.

But that said I'm satisfied from the information I've seen that TSB's decision to close Mr M's account wasn't unreasonable and is covered under its terms and conditions. If Mr M wishes to know more about our investigator has already provided information on how and where he can access this.

Finally, Mr M is unhappy at the service he received from TSB regarding the investigation of his complaint and that TSB failed to respond to further arguments and evidence Mr M provided in regards to the closure and his complaint following TSB's final response.

As I've explained above complaint handling isn't a regulated activity so this isn't something this service can look into by itself or award compensation on. But regardless of this I can see that TSB issued a final response to Mr M on 21 September - which included his referral rights to this service and was within 8 weeks of raising his complaint - so I don't think TSB acted unfairly here. Just because Mr M is unsatisfied with TSB's final response and doesn't wish to engage any further doesn't mean it automatically follows that it has done something wrong.

So, as I don't think it has done anything wrong or treated Mr M unfairly it follows that I do not uphold Mr M's complaint.

**My final decision**

For the reasons I've explained I've decided not to uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 March 2026.

Caroline Davies  
**Ombudsman**