

The complaint

Mr H complains that TSB Bank plc (TSB) closed his basic bank account and would only send him the remaining balance by cheque meaning he was unable to access his funds in the meantime. Mr H has said this caused him significant hardship.

What happened

Mr H held a basic bank account with TSB who, on 27 June 2025, received a communication from a third-party that said two payments sent to Mr H's account previously had been done so under fraudulent pretences.

On the same day TSB, then beginning a review of Mr H's account, placed a restriction on the account. Mr H contacted TSB about the restriction and was subsequently asked about these payments and his entitlement to them. Mr H told TSB that the payments had come from someone he worked with who he'd known for two years, and that they were both electricians - I'll refer to this person as B. Mr H told TSB that B owed him money. TSB made the decision to close Mr H's account immediately, without requesting further evidence of his entitlement, and informed him of this during this phone call. It said that any funds Mr H was entitled to within the account would be sent to him by cheque. Mr H asked if the funds could be transferred to another account instead, but TSB explained this was not possible. I can see that TSB continued its review into Mr H's account following this.

During a later call with TSB on 2 July 2025 Mr H told it that the payments he had received from B were for completing their tax return – and that he works from home with people he doesn't know or associate with regularly sending him similar sized payments for completing tax returns. Mr H explained that these people are recommended to him. TSB advised Mr H on the call that it would not be reversing its decision to close his account and that it would be issuing a cheque for the remaining balance. On this call Mr H told TSB that he was suffering from significant financial hardship due to not having immediate access to the balance that remained in his account and that he was in regular receipt of government benefits. He explained that a friend of his had sent £100 to his account on 27 June 2025, the day it was restricted, and that this was to help him. TSB closed the account and issued Mr H a cheque for the balance on 9 July 2025.

Mr H also told TSB during this phone call on 2 July 2025 that his mother was terminally ill and that without access to funds he could not get to hospital to visit her. Mr H has told this service that TSB's actions in not releasing funds to him sooner caused him to miss a hospital appointment for his mother on 4 July 2025 and that by the time he could access alternative funds from elsewhere to reach the hospital, on 5 July 2025, his mother had fallen unconscious. Mr H has said his mother very sadly passed away later that day and feels that TSB prevented him from being able to say goodbye.

I'd like to acknowledge what Mr H has said and express my profound condolences for his loss. I sincerely empathise with how difficult this period of Mr H's life must have been.

Mr H complained to TSB who issued its final response letter (FRL) on 10 July 2025. TSB explained that it felt it had made the decision to close Mr H's account in line with its terms

and conditions and that it didn't need to request any further proof of entitlement from Mr H, following his initial call with it on 27 June 2025, as what it already held was sufficient to be able to take the actions that it did.

On 30 July 2025 Mr H submitted some evidence to TSB to try and prove his entitlement to the two payments he had received. This was reviewed by TSB but it didn't feel this was sufficient, so the account remained closed.

Mr H remained unhappy so referred his complaint to our service. One of our investigator's looked into it, and they recommended it wasn't upheld. In summary, they said TSB was able to restrict and then close the account in the way it did and was satisfied it'd done so in line with the terms and conditions of the account. The investigator felt that Mr H had been untruthful to TSB when first questioned about the payments and had later changed his story. They said that having reviewed the evidence Mr H had submitted to our service they weren't persuaded that he had demonstrated his entitlement to the funds. The investigator went on to say that when considering Mr H's comments about him being a vulnerable customer and feeling discriminated against, they hadn't seen any evidence that TSB had treated him unfairly.

Mr H disagreed. He's said that the core issue - which subsequently caused him significant financial, professional and personal harm - was TSB not requesting further proof of entitlement from him following his call to it on 27 June 2025. Mr H has denied that he changed his story regarding the source of the payments and does not believe that TSB restricted or conducted a review of his account. Mr H feels like TSB have not complied with its obligations under rules set by the regulator, the Financial Conduct Authority (FCA).

Mr H asked for a final decision, so his complaint has now been passed to me for a decision.

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.

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Mr H has made a large amount of submissions to this service including evidence he feels demonstrates his entitlement to the funds in question; and detail surrounding the events that led up to this complaint. I'm aware I have summarised this complaint and his submissions in less detail than him. I'd like to reassure Mr H that I've considered the whole file and everything that he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. I want to stress that no discourtesy is intended by me in taking this approach.

I have decided not to uphold this complaint. I'll explain why.

TSB has strict legal and regulatory requirements it must meet whilst it provides accounts for its customers. Part of these require TSB to monitor its customers' accounts, and this sometimes means it may carry out a review, the result of which might mean an account is restricted and later closed. It is generally for TSB to set its risk criteria in relation to its obligations. I understand that Mr H has said he doesn't believe TSB restricted or reviewed his account, but I can confirm that it did. TSB restricted Mr H's account prior to his call to it on 27 June 2025 – indeed Mr H begins this call by acknowledging the restriction. TSB began

its review of Mr H's account following receipt of a fraud report issued to it by a third party on this same day. Mr H was told during this call that his account would be closed, and a restriction remained in place until TSB completed its review and closed the account on 9 July 2025. I've therefore considered whether this was fair.

Mr H held a basic bank account. Basic bank accounts can only be closed in very specific circumstances, and those circumstances are governed by Reg 26(2) of the Payment Accounts Regulations 2015.

Mr H told TSB on 27 June 2025 that the payments in question were for money owed to him by B, someone he had worked with and known for two years. Mr H went on to tell TSB that he was no longer in contact with B. Having considered the wider regulatory responsibilities of TSB and all of the information it held at the time, including what Mr H had told it and the fraud report it had received, I find that TSB had a legitimate basis for not requesting further proof of entitlement from Mr H and deciding to immediately close his account without notice. I find that this decision was both in line with the terms and conditions of the account and the Payment Accounts Regulations 2015.

I've gone on to consider what Mr H later told TSB about the purpose of the payments during his call with it on 2 July 2025. I understand that Mr H has said he didn't change his story at this point, but I don't agree. Mr H told TSB here that B's payments were because he was completing their tax return; and that he did this whilst working from home for people he doesn't know or associate with. I find this to be different to what Mr H told TSB at first.

I find it would have been reasonable to have expected Mr H to have initially said that he received the money in order to do a tax return when first asked by TSB on 27 June 2025. And it's unclear why Mr H would say he's not in touch with B when he had received payment to do a tax return which at that point he had not carried out. So he would have understood that he would need to be in touch with B. As I've said previously I find that the two narratives Mr H provided to TSB do conflict and it would have understandably been concerned. I don't therefore find that TSB should have reversed its decision to close his account or provided him access to his account balance at this point. Mr H has provided historic bank statements which do indeed show incoming payments from multiple third parties, but this is not conclusive proof that he was completing their tax returns. And I'm not persuaded that if TSB had access to these statements at the time it would have in any event been satisfied with the explanation that Mr H had provided and that the funds were sent to him for a legitimate purpose.

Mr H has provided submissions to this service of conversations he says were with B but these were obtained much later – and so wouldn't have been available to TSB to consider at the time. It's also clear from these submissions that B was very unhappy with how Mr H had not been contactable and it doesn't establish that B wouldn't have still thought he was being defrauded around the time in question.

Mr H has said that TSB not requesting further proof of entitlement at this point is a core issue and went on to cause him significant harm. But for the reasons I've given above, I don't find that it needed to. And so I don't find that I can fairly hold TSB responsible for the losses Mr H says he incurred as a result of this.

I'm very sorry to hear of the financial difficulties Mr H found himself in after TSB had made the decision to close his account and I recognise that he informed TSB of his urgent need to access the £100 payment that had been sent to his account, requesting a bank transfer instead of a cheque. But having very carefully considered all of the information that I have seen I'm satisfied that TSB completed its review in a timely manner and weren't being unreasonable in issuing Mr H a cheque for his remaining account balance. I say this

because TSB weren't satisfied with Mr H's explanation for the payments and even if they had asked for further evidence from Mr H I still don't find their concerns would have been allayed. So, I don't find it appropriate to award compensation for TSB not permitting a transfer out of the account. I also don't find it unfair that TSB required Mr H to attend branch if he wanted to attempt to obtain his balance sooner. It follows that, whilst I once again express my deepest sympathies to Mr H, I don't find that TSB need to pay compensation for Mr H's inability to travel to the hospital to see his mother, who sadly later passed away.

Mr H has referred to TSB's obligations under rules set by the FCA explaining that he feels TSB have not complied with these. Having considered TSB's actions in making its decision to restrict and later close Mr H's account, and how it dealt with his requests for access to his account balance following this, I don't find that it has gone against the principles set out by the FCA including its responsibilities to persons who are in a vulnerable situation.

Mr H feels he has been discriminated against by TSB. It is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr H has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010. And after looking at all the evidence, I don't find the decision to close his account was unfair or that TSB treated him unfairly in its dealings with him.

I understand that the decision to close his account affected Mr H in a multitude of ways. Ultimately however I don't find that TSB acted unfairly by not being satisfied that the information given to it by Mr H regarding the purpose of these payments was sufficient for their legal and regulatory purposes and risk appetite. I don't find that TSB acted outside of the terms and conditions of the account by no longer permitting Mr H to use the account freely or by deciding to close the account in the way that it did.

As I'm satisfied that TSB haven't acted inappropriately, I see no basis for it to reactivate the account or award any compensation to Mr H for any financial loss, distress, or inconvenience he may have suffered.

My final decision

For the reasons above, I have decided not to 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 15 May 2026.

Mark Louth
Ombudsman