

The complaint

Ms C complains that TSB Bank plc (TSB) provided poor customer service and it failed to advise her that her credit card debt had been passed on to a debt collection agency.

What happened

Ms C had a credit card account with TSB and was struggling to meet her monthly payments and says TSB had agreed to accept minimal payments as an informal arrangement. Ms C says she was contacted by a debt collection agency for her repayment plans and this was the first she knew that her credit card account had been referred to them. Ms C says that she had to make various calls to complain about this but was given misleading information by TSB and never received their final response letter after she complained to them.

Ms C has a health condition and given the way TSB have handled her complaint has been stressful to her. Ms C says that TSB agreed to accept payments as and when she was able to make them and shouldn't have referred her credit card account to a debt collection agency.

TSB say they sent a default notice and formal demand to Ms C which advised her credit card account debt was being sent to a debt collection agency. TSB also say that they responded to her complaint in its final response letter and have done nothing wrong.

Ms C wasn't happy with TSB's response and referred the matter to this service.

The investigator looked at all the information available and partly upheld Ms C's complaint. Although the investigator felt that TSB had acted correctly in passing the credit card account to a debt collection agency and Ms C had been advised of this, she felt that TSB had provided poor service and incorrect information during a phone call that had led to further stress for Ms C. As a result, the investigator asked for TSB to pay £150 to Ms C for the trouble and upset it had caused.

TSB didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

I sent both sides a provisional decision, where I said:

I've considered all of the evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I have come to a different outcome to the investigator and I will explain how I have come to my decision.

When considering Ms C's complaint, I have looked at whether TSB had acted correctly when they passed her credit card account to a debt collection agency and whether they had misled Ms C about her repayment arrangements. I have also considered if TSB treated Ms C unfairly after she complained about this.

I was sorry to hear of Ms C's health issues and I can understand that it would be worrying to

hear that her credit card debt had been passed to a debt collection agency, when she believed that she had an informal agreement in place with TSB to pay back a nominal sum from time to time. Ms C says she had an arrangement with TSB to pay a minimal sum as and when she could and at no point was she told her credit card account would be referred to a debt collection agency. I haven't seen any evidence of this arrangement either during the phone calls I have listened to or in writing.

Ms C's credit card account was in TSB's recovery department and interest was no longer being charged. From the statements I have seen, several months went by without any payments being made into her account. I am satisfied that no formal repayment plan was in place and it would be unreasonable to expect TSB to accept a repayment agreement that meant Ms C could repay a minimal amount as and when she was able to. From the information made available to me several attempts were made by TSB to contact Ms C by telephone regarding her account, but for one reason or another TSB were unsuccessful in getting in touch with her.

I can see from the information available to me that Ms C was sent a default notice and although Ms C says she never received the default notice, given that she has received other communications from TSB including credit card statements, on balance, I am happy that this notice was sent to her. The default notice explains that the account would be referred to credit reference agencies and that TSB could refer to debt collection agencies to recover the money owed. This letter was followed up a few weeks later with a formal demand and this letter also says that non repayment of the debt would result in transferring her account to a debt collection agency. It follows that I am satisfied that TSB have acted correctly here and any informal arrangements Ms C believed were in place were formalised and replaced by the default notice and formal demand letter. I am satisfied that TSB have acted fairly here.

Ms C also says that she never received TSB's final response letter following her complaint. A copy of this letter has been provided to this service and Ms C has also had this letter explained to her during a phone call with TSB and a duplicate sent to her. For the same reasons as I have given above, I am satisfied that TSB sent this letter to Ms C.

Ms C believes that during a number of calls she had with TSB they have given her misleading information and were rude to her during at least one of those calls.

Ms C has said a TSB member of staff also felt the final response letter didn't make sense as she may not have been given the right information about the debt recovery – I have listed to this call and I am satisfied that all the member of staff is saying is she needs to clarify the points in the letter to Ms C with her colleague, to see if the right information has been given to Ms C as she isn't sure it was. I can't see that this was the member of staff saying the information given to Ms C was wrong but more of a case that she would check with her colleague who wrote the final decision letter.

I can't see the TSB members of staff have been rude as suggested by Ms C. I understand that it can be frustrating to be kept on hold and passed to other member of the team but that in itself doesn't suggest that poor service has been given here or would justify compensation as a result.

I can see that Ms C has made a number of calls and she says that some weren't returned as promised, but it is worth mentioning that TSB had issued a final response letter to Ms C and advised her of her right to refer the matter to this service – it follows that any other calls made to them were of Ms C's doing and TSB felt that they had already dealt with her complaint. While Ms C may disagree with TSB's view of her complaint and feels they can't say the matter is closed, their final response letter is just that and refers her to this service, because they had nothing more to add.

I understand that the investigator feels that compensation should be made for the poor service and confusion created by TSB, but I don't agree for the reasons I have already stated. TSB were correct in the actions they took and when Ms C complained, they responded within the timescales I would expect. I am satisfied that TSB have acted fairly and whilst there have been a number of phone calls that Ms C felt she had to make, these aren't a result of TSB failing to keep her informed.

While I know Ms C will be disappointed with my decision, it follows I won't be asking anymore of TSB here.

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 gave both Ms C and TSB until the 5th September 2020 to accept or reject my provisional decision, but as I have heard nothing further from either I see no need to change or add to this and so my final decision remains the same.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 7 October 2020.

Barry White
Ombudsman