

The complaint

Mr L complains that TSB Bank plc ("TSB") has treated him unfairly in relation to his current account which has led to him avoidable debt.

What happened

The background of this complaint is well known to all parties, and the sums and dates involved were detailed by our Investigator at length previously. So, I've summarised events.

- Mr L holds a TSB current account. Around late April 2021, he spent over £1,800 from the account gambling across a number of transactions. He said the available balance of the account reduced, but the funds were not deducted until 10 May 2021.
- Mr L says this delay led him to believe the funds had already been taken, and the remaining sum was previous winnings. On 7 May 2021 he had transferred £1,866 to a separate bank account with Company A.
- So, when the funds were taken on 10 May 2021, it left Mr L's account overdrawn beyond his agreed £500 overdraft. TSB is seeking the funds owed, and Mr L entered into a repayment plan. Mr L complained, saying TSB was at fault for the debt.
- TSB apologised, saying there had been a technical error which led to the delay of the funds being taken. But it said Mr L was beyond his overdraft because he moved money to his Company A account, which he would've been aware of. It gave him £50 in compensation for the distress and inconvenience caused and said it would consider any additional expenses he incurred such as telephone calls or fuel costs.
- The complaint was brought to this Service and one of our Investigators didn't uphold it. She said a processing error had occurred, but Mr L would've been reasonably aware of the available sums in light of payments made a short period before. She concluded £50 compensation was fair.
- Mr L disagreed. He said the system error lay with TSB. And he referenced the gambling website confirming it would receive funds within 48 hours of the payment being made. He also provided a number of statements from his Company A account that he said showed the extent of payments being made, and why this meant he wouldn't have realised the sums were already spent.
- Our Investigator looked again. She was persuaded the transactions elsewhere showed Mr L didn't realise the sums hadn't left his account. So, TSB's error had a larger impact than it had recognised, and she awarded £150 compensation in total.
- Both parties disagreed. Mr L argued the compensation wasn't enough, and that charges and interest should be removed from the sum owed. So, the complaint was been passed to me for an ombudsman's decision.

Upon my review of the complaint I let Mr L know I didn't intend to uphold his complaint and outlined my reasoning why. And I gave him until 8 March 2022 to provide any further comments in response. Mr L hasn't responded.

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 L spent a sum of money gambling which is not disputed. After Mr L processed his payment with a gambling website, the money was earmarked within his TSB account, meaning it could not be spent. This is a standard process on TSB's part.

TSB has said as a result of a processing error this money wasn't taken within a week as it would've expected. The earmark expiring within this time meaning Mr L had use of the funds even though they'd yet to be taken. So, it's clear to me TSB's actions led to Mr L being able to use the funds. I have to go on to consider what the impact of this mistake was.

Mr L says he believed the sum that remained was part of his winnings. It seems to me that a win of around £1,800 would've been a memorable event. As would've a loss of the same value. So, while I've taken Mr L's arguments and points into consideration, I'm not persuaded on balance TSB's actions reasonably led him to believe the available sum in his account was not already accounted for. And it seems most likely to me he'd have been aware of the outstanding sum owed.

Mr L has argued that his Company A account statements show the extent of his gambling at the time. While this might be the case, the evidence doesn't persuade me he would've reasonably confused matters with his TSB account. And I can't ignore Mr L's own responsibilities as a TSB accountholder to manage his account. He's also provided information from the betting website that suggests the money was taken in 48 hours. But this doesn't align with the sums in his own account, so this doesn't change my conclusion.

TSB argues Mr L should've reasonably known the sum in question hadn't left the account. And I'm in agreement. For these reasons I think TSB's compensation of £50 and apology was fair and reasonable in the circumstances, and I'm not asking it to do anything further.

My final decision

For the above reasons, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 6 April 2022.

Jack Baldry
Ombudsman