

The complaint

J complains it missed out on a cash incentive payment for switching its bank account to TSB Bank plc and this loss was as a result of TSB's actions.

J is represented by its director, Mr P.

What happened

In January 2021, J applied to transfer its account from its current bank (which I will refer to as "the other bank") to TSB as part of an incentivised switching scheme being run by the other bank. As part of the application process, Mr P visited a TSB branch to provide address verification in the form of his driver's license on 12 February.

J attempted to complete the switch online in May but was unable to, so he contacted TSB by phone on 18 June. During this call, TSB explained that there was an error with the address verification and that was the reason Mr P had been unable to complete the switch. The address was verified on the call and the call handler said she would contact Mr P if there were any issues.

TSB contacted Mr P in July to explain they were not going to open an account for J at that time. Mr P complained to TSB on behalf of J on the same day. In TSB's final response letter, they said J should've contacted them sooner about the account and that multiple reminders had been sent in the run up to the end of the scheme. They said J had left it too late to progress the application and they were not responsible for it missing out on the cash incentive.

TSB did concede that misinformation was supplied by them to Mr P on the call on 18 June, which they apologised for and sent a cheque for £50 to J in recognition of their error.

Mr P was unhappy with this response, so he referred J's complaint to our service. One of our investigators looked into the matter. She initially agreed with TSB's response however TSB then located a copy of the call from 18 June, so she revised her opinion. She still thought J hadn't done enough to complete the switch in time but said TSB's call to J on 18 June was misleading and they should pay an additional £250 to J for the inconvenience their error caused.

Mr P didn't agree and asked for an ombudsman's decision, so the case was passed to me to decide.

Having looked at the complaint, I didn't fully agree with our investigator, so I shared some provisional thoughts with both parties to see if I could reach an informal decision. However, that wasn't possible in this case.

When I spoke to Mr P, I explained that as the switch never took place, and I provisionally thought he had left it too late in the process to contact TSB about the outstanding information, I was unlikely to ask TSB to pay the incentive J expected to it. Mr P said he

thought the only fair resolution was for TSB to pay the full amount, without J switching, as they had told him on the call on 18 June that everything was in order.

I spoke to TSB and shared my provisional thoughts. I said that I hadn't seen any evidence that Mr P was ever made aware of the issue with the address verification documents and that from listening to the call, it appeared to be the first time Mr P had been made aware of the issue. This matter was easily resolved on the call and the advisor left Mr P to assume the switch was progressing as expected. She said she would call Mr P if there were any issues, but Mr P never received any further calls from TSB.

I said that as the switch was never completed, it would be unfair for me to ask TSB to pay the full incentive amount. However, I felt that TSB were responsible for the application not being progressed due to the issue in February, as there was no evidence Mr P was aware there was an issue with the ID he provided.

As such, my provisional thoughts were to direct TSB to allow J to reapply for the switch, and if the application was approved, pay J the incentive it would have received had there been a successful switch under the incentive scheme.

TSB said there was no evidence that the switch incentive would have been paid to J as the application wasn't completed, so it may not have been eligible for the payment. However, they agreed to pay the £250 compensation our investigator had suggested to acknowledge the poor service J received when it was told everything was in order with the account application.

As an informal resolution was not reached, I've now made a final 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.

I've not seen any tangible evidence that Mr P was advised that there was an issue with the document he provided for the address verification in February 2021. TSB say an automated message would've been sent to J via their portal, but they can't tell me what it said or provide me with a copy of this message. Mr P says J never received such a message and didn't know there was any issue with the address verification until he spoke with TSB on 18 June.

Having listened to Mr P's call on 18 June with one of TSB's advisors, it sounds like it is the first time Mr P had been made aware of the issue. This issue turns out to be quick and easy to rectify. The matter is sorted with the correct address being verified while Mr P is on the call to TSB. So, I don't think TSB made it clear to J that there was an issue with the application in February 2021.

In addition, I've seen evidence to show that Mr P chose a date to switch J's account in May 2021, but the switch didn't complete. Mr P was unsure as to the reason why the switch didn't go ahead which is why he called TSB on 18 June. There is no dispute that Mr P could've contacted TSB sooner to ask what the issue was, but from the information he had been provided with about the switching process, he understood the cut-off date to be 30 June 2021. So, I think it's fair to say he thought he was contacting TSB within the timelines indicated.

TSB say they had an earlier internal cut off point, which I think is reasonable considering the volume of applications they were receiving, however there is nothing to show me that Mr P

would've known it was too late for his application to be progressed at that stage. In fact, he is reassured on the call that that if anything further is required, TSB will call him but that all looks fine and everything is coming up as complete on the application.

So, I can understand why Mr P thought J's application was complete and there was nothing further for him to do. TSB have acknowledged that there were errors made on this call and have agreed to pay the £250 compensation our investigator suggested to acknowledge the misinformation Mr P was provided.

However, Mr P would like me to award the full incentive amount to J as he believes he was misled by TSB. Having considered all the facts of the case, I can't reasonably ask TSB to do that as the account with them was never opened.

I agree with TSB that even if the application was completed on the call on 18 June, we can't know for sure that the account would've been opened, and the switch fully completed. J's accounts with the other bank would need to have been fully closed and the switch completed by 30 June for J to have received the full incentive amount.

In addition, even if the application was fully completed and all the information was provided, TSB are still entitled to make a commercial decision about who they do business with, so there's no guarantee the account would've ever been opened.

Had J known on the 16 February that there was an issue with the identification then it may have had time to apply to another bank if it couldn't resolve the issue with TSB. However, J had only applied to TSB so there was no opportunity for it to receive the incentive payment from an alternative organisation.

So, although I agree that £250 plus the £50 TSB already paid to J fairly reflects the inconvenience the misinformation given during the call caused it, I don't think TSB took reasonable steps to make J aware that there was an issue in February. And I think this contributed to J missing out on the cash incentive.

Putting things right

I think the fairest resolution in this case is for TSB to allow J to reapply for the switch and if the application is successful, pay J the incentive it would've received if there had been a successful switch under the incentive scheme. J must reapply before 17 May 2023.

My final decision

I am upholding this complaint in part and direct TSB to do the following:

- allow J to reapply for the switch before 17 May 2023 and if the application is successful, pay J the incentive it would've received if there had been a successful switch under the incentive scheme.
- Pay an additional £250 to J in recognition of the inconvenience caused to it and its director by the misinformation provided to it on the call with TSB on 18 June 2021.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 17 April 2023.

Tara Richardson
Ombudsman