

The complaint

Mrs T complains about the way in which TSB Bank plc handled a balance transfer request on her credit card account.

What happened

Mrs T has credit card accounts with TSB and with another bank. In December 2020 she decided to take advantage of an account transfer offer, which meant that she could transfer her outstanding balance on her other account to her account with TSB and save interest.

The transfer of just over £1,900 was made on 30 December 2020. That is, TSB paid Mrs T's other bank and the balance on her TSB increased by the same amount, together with a fee of £56.52.

However, Mrs T's other bank was unable to credit the payment to her account. That's because she had missed a digit when completing the application. The payment was returned, the balance on Mrs T's TSB account was reduced to the fee of £56.52, and the balance on her other credit card account was restored. The transfer fee was paid by direct debit the following month, but no further payments were taken, since the balance on the TSB account was reduced to zero.

The balance remained on Mrs T's other credit card account – where it continued to attract interest. Mrs T continued to make payments to that account.

Mrs T says she called TSB to check that the direct debit had been set up correctly. She was told that it had been. She says that she noticed that her balance was zero but assumed that was because she had not used the card for purchases.

It was not until June 2021 that Mrs T realised that she still had an outstanding balance on her other credit card account. She was unhappy with the explanation provided by TSB and so referred the matter to this service, where one of our investigators considered the complaint. He thought that, as the transfer had not been successful, it was fair that TSB should return the balance transfer – which it agreed to do.

Mrs T did not however accept the investigator's recommendation and asked that an ombudsman review the case.

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.

In my view, it is important to note that this complaint arose because of an error in making the transfer application. That error was Mrs T's. I have no reason to think that, but for that error, the balance transfer would have been successful.

Mrs T says that it is unacceptable that TSB has no record of her call when she asked about the direct debit. I accept however that the call took place as she has described it. But the

direct debit had been set up successfully; that's why the transfer fee was paid. The problem was not with the direct debit but with the fact that the transfer had been reversed.

I note too that Mrs T says she was not told about the failed transfer. However, I think she had enough information on the statements for the two accounts to see that it had not been completed. And, because she had access to both accounts, she had more information than either bank alone.

Putting things right

I do not believe that TSB has made an error here, although it has agreed to refund the transfer fee. I will make a formal award requiring it to do so.

My final decision

My final decision is that, to resolve Mrs T's complaint in full, TSB Bank plc should pay her £56.52.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 5 September 2022.

Mike Ingram
Ombudsman