

The complaint

G complains that TSB Bank plc caused it to miss out on a promised incentive payment for switching its bank account from another bank.

What happened

In February 2021, G 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.

TSB received and reviewed the application from G. Having done so, they contacted G on 3 March 2021 to request that the application be amended as two controlling parties had been named instead of one.

On 14 May, G provided the amended application as per TSB’s request. TSB then requested a document which could confirm the business address on 5 June. This was provided by G on 15 June.

TSB decided not to proceed with the application on 18 June, and they communicated this to G when it called them to discuss the matter on 22 June. It was during this call that G raised its complaint.

TSB responded to the complaint on 7 July explaining that a business decision had been taken not to progress G’s application due to the volume of ISS applications TSB had outstanding on 18 June. They said they prioritised applications that had been completed sooner than G’s had.

G was unhappy with this response, so it referred its complaint to our service. One of our investigators looked into the matter. He thought TSB were unclear in their communications with G about the need to take urgent action to progress the application, so he asked TSB to pay £200 in compensation to G.

However, he didn’t think TSB were responsible for the initial delay in processing the application and he said TSB were entitled to make a commercial decision about whether they wanted to proceed with any of the applications they received as part of the scheme. As such, he didn’t conclude that TSB were responsible for G not receiving the incentive.

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

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.

Having done so, I’m sorry to disappoint G but I won’t be upholding this complaint. I’ve explained my reasons below.

The crux of this complaint is whether TSB is to blame for the failure to complete the switch in time for G to be eligible to receive the incentive payment. So, I'd need to be persuaded that this was due to an error on TSB's behalf.

The scheme was open to applicants who applied to the participating banks before the end of February 2021. To be eligible to receive the cash incentive the account needed to be fully switched from the other bank with the other bank confirming they had closed the original account by 30 June 2021.

G applied for the account quite close to the cut off for applications to be received, however, I can see that there was no delay in TSB contacting them to explain there was an issue with the application and that it needed to be amended for the application to be progressed. This email was sent to G on 3 March 2021; however, G says it didn't open the email as it thought it was spam.

I don't agree that this is a good enough reason for G not opening the email or following up with TSB sooner. G could've called TSB to confirm the email was from them especially as it had just applied to TSB to switch its account across to them. So, I don't think G should've found it that unusual to receive an email from TSB around this time.

It took G more than 10 weeks to follow up with TSB at a time when the incentive scheme was approaching its end. When G did speak to TSB on 13 May it discovered the application needed to be amended as two controlling parties had been named instead of one. G amended the application the following day. At this stage, G's application went into a queue which was being worked in date order by TSB.

Having reviewed the information on G's application, TSB sent a further email to G on 5 June asking for documents proving its business address to be provided. G would've been aware that time was running out as both TSB and the other bank sent chaser emails to outstanding applicants around this time. Nevertheless, G didn't provide this evidence until 15 June which left very few business days for the account to be opened and the switch to be fully completed.

On 18 June TSB made a commercial decision not to progress G's application due to the volume of ISS applications they had outstanding. They said they prioritised applications that had been completed sooner than G's had.

I've considered whether I think this was fair. A full current account switch takes seven business days to complete and TSB would've required additional time to complete necessary checks before agreeing to open the new account. As such, I think it was reasonable for TSB to make a commercial decision to prioritise those whose applications were completed earliest and to reject those who were unlikely to be completed within the time limits of the scheme.

I know this will be disappointing for G, but it was responsible for the delays that led to the application being declined on this occasion. Having said that, I think TSB could've been clearer about how soon they needed information returned to them, especially the information that was requested on 5 June. And it is for this reason that I agree with our investigator that TSB should pay £200 to G in recognition of this failure.

My final decision

For the reasons set out above, I am upholding G's complaint in part. I direct TSB Bank plc to pay £200 in compensation to G for their poor customer service.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 24 March 2023.

Tara Richardson
Ombudsman