

The complaint

Miss H and Mr H have complained that TSB Bank plc ("TSB") didn't inform them that the fee-waiver that was applicable to their Gold account was being removed.

What happened

In response to the complaint, TSB refunded the Gold account fees that were applied to Miss H and Mr H's account in June and July 2021, paid £8 towards the costs of the phone calls and also £25 for the distress and inconvenience caused.

Unhappy with TSB's response to the complaint, Miss H and Mr H referred their complaint to our service.

One of our adjudicators assessed the complaint and she upheld the complaint. She recommended that, in addition to what TSB had already done to put things right, TSB should refund the Gold account fees applied to the account between August and November 2021 (although had incorrectly said 2022), plus a further two months of account fees - if they were applied to the account (so as to give Miss H and Mr H two months notice from when they received the letter from TSB), plus 8% simple interest, less tax. The adjudicator also recommended that TSB pay a further £50 for the distress and inconvenience caused to the consumer.

TSB disagreed with the adjudicator's assessment, so the matter was referred for an ombudsman's decision.

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.

We've explained our approach to complaints about packaged accounts on our website, and I've used that to help me decide this complaint. And having considered everything, I don't think that what the adjudicator recommended, to put things right, was unreasonable. I will explain why.

I understand that Miss H and Mr H had held the Gold account for a number of years, and were able to benefit from a fee-waiver – that is, providing they kept the balance of the account above a certain amount, they would not have to pay the monthly fee that normally applied to the Gold account.

TSB decided to withdraw this fee-waiver as a feature of the account. From the outset, I want to make it clear that TSB was entitled to make such a change to the account. After all, it is up to TSB to decide what products and services it offers its customers. And most (if not all) packaged accounts include terms that allow the financial business to amend the terms and conditions of such accounts when they deem it necessary.

However, TSB's terms and conditions say that when making such a change (such as removing the fee-waiver), it will give affected account holders two months notice. And it will do this by telling them 'personally'. TSB's terms and conditions explain that this means:

“ ‘Personally telling you’ about a change means that we’ll contact you by email, text message, letter or any other method of written communication. This includes messages on or with your statements.”

As such, according to TSB’s terms and conditions, when removing the fee-waiver it was obliged to provide notice to Miss H and Mr H in writing. However, Miss H and Mr H say that they never received the written notice until they received a letter dated 8 November 2021 on 12 November 2021.

Looking at TSB’s investigation of the matter, it looks as though TSB is confident that Miss H and Mr H were included in the mailing of the letter, notifying them of the withdrawal of the fee waiver, that was sent out in February 2021. However, I can see that a gone away marker had also been added to their account, and this was not removed until after Miss H had contacted TSB to query the account fee that was added to the account. As such, in the circumstances of this specific complaint, I think it’s likely that Miss H and Mr H were not sent the notice in February 2021 that the fee-waiver that they’d enjoyed for many years, was being removed.

I understand that Miss H and Mr H were also sent electronic messages as well. However, neither Miss H and Mr H nor TSB have provided any evidence to suggest that the electronic messages also included the notice that the fee-waiver was being removed.

Therefore, as it appears that the first time they received a written notice of the fee-waiver being removed was in November 2021, I think that what the adjudicator recommended i.e. refund all fees from August 2021 until January 2022, plus 8% simple interest, less tax, is not unreasonable in the circumstances.

In its objection to the redress proposed by the adjudicator, I understand the main point that TSB disagrees on is the fact that it was verbally explained to Miss H during the call in June 2021 - when Miss H called to query the account fee – that the fee-waiver had been removed. Although I have some sympathy with TSB’s point, it still remains that its own terms and conditions stipulate that such changes will be communicated in writing. And I can’t see that a written notice was sent to Miss H and Mr H until some time later in November 2021. Therefore, I think it’s reasonable in the circumstances of this complaint, to treat the date of notice that the fee waiver was being removed as 8 November 2021.

So I think that the delay in sending the letter, after Miss H had already asked for a copy, led to Miss H and Mr H keeping the Gold account for longer, and therefore incurring the monthly charges, than perhaps they would’ve done so, had they received the letter in February 2021. And it’s clear that TSB’s apparent failure to send them a copy when Miss H asked for one led to them having to chase TSB a number of times for a copy to be sent, which again they wouldn’t have needed to do had a copy been sent to them when it was first requested.

Therefore, I think that the added award of £50, bringing the total award to £75 for the distress and inconvenience caused to Miss H and Mr H in having to keep chasing TSB is a reasonable award in this case.

As such, I think that the redress that the adjudicator recommended in her assessment of the case is not an unreasonable approach to settling this matter.

Putting things right

Therefore, to put matters right, I require TSB Bank plc to:

- Refund any monthly Gold account fees that Miss H and Mr H were charged between August 2021 and January 2022; and
- Pay 8% simple interest, less tax, on those fees, calculated from the date each fee was taken, to the date of settlement; and
- Pay Miss H and Mr H £50 for the distress and inconvenience they were caused by having to chase up TSB to obtain a copy of the letter informing them that the fee-

waiver was being removed from the Gold account.

My final decision

Because of the reasons given above, I require TSB Bank plc to do what I have set out above, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H and Mr H to accept or reject my decision before 7 November 2022.

Thomas White
Ombudsman