

The complaint

Mr O is unhappy that TSB Bank plc returned a duplicate payment made into his account in error back to the sender without any prior notice to him.

What happened

A payment of £481.98 was made into Mr O's TSB account. However, the payment was duplicated by the sender in error, and was received into Mr O's account for a second time the next day. A week later, TSB returned the duplicate payment to the sender without notifying Mr O that the duplicate payment would be returned. Mr O wasn't happy about this, so he raised a complaint.

TSB looked at Mr O's complaint. They apologised to Mr O for not giving him advance notice that the duplicate payment would be returned to the sender, and they offered to pay £25 to Mr O as compensation for any trouble or upset he may have incurred. Mr O wasn't satisfied with TSB's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They felt that TSB's offer of £25 didn't fairly compensate Mr O for the impact on him of TSB's actions, and so they recommended that TSB should increase their payment of compensation to Mr O by £75, to a total of £100.

TSB didn't agree with the view of this complaint put forwards by our investigator, so the matter was escalated to an ombudsman for a final 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.

I issued a provisional decision on this complaint on 18 October 2022 as follows:

TSB have been able to demonstrate that Mr O logged into his TSB current account the day that the additional payment was made to his account, and it's notable from Mr O's current account statements that the duplicate payment was the only transaction that occurred on that day. It's also notable that the original payment, from the previous day, is separated from the duplicate payment by only two other smaller transactions. I therefore feel that it's likely that Mr O would have been aware of the receipt of the duplicate payment – and that it was a duplicate payment – when he viewed his TSB account on the day it was received.

Mr O has explained that the duplicate payment came from his employer, from whom he was expecting a bonus payment at that time. But I feel that it would be unusual for a bonus payment to have paid as a duplicate amount of a wage or salary payment – which the original payment the previous day appears to have been – and would rather expect a bonus payment to be a different amount to a wage or salary payment.

Approximately two weeks after the duplicate payment was received into Mr O's TSB current account, Mr O made a transfer to his TSB savings account roughly equivalent to the amount of the duplicate payment. The following day, the duplicate payment was returned to Mr O's employer by TSB, which resulted in Mr O's TSB current account being put into an overdrawn position. Mr O then transferred an amount from his TSB savings account to his current account later that same day to return the current account to a similar position of credit to how it had been before TSB returned the duplicate payment.

It isn't in dispute that TSB moved to return the duplicate payment to Mr O's employer without first directly notifying Mr O that they would be returning the duplicate payment. And TSB have apologised to Mr O for this point and made an offer to pay £25 compensation to him for any trouble and upset incurred.

TSB have noted that their current account terms and conditions include that any payment received into the account in error – as the duplicate payment was – will be returned to the sender. Additionally, TSB note that those same account terms don't provide any stipulation that their account holder will be notified in advance. However, as explained above, TSB confirmed to Mr O in their response to his complaint that they should have made him aware that the duplicate payment would be returned from his account in advance, and I feel that this 'common sense' position isn't diminished by TSB's failure to stipulate it in their terms.

But I do feel that the £25 payment of compensation that TSB made to Mr O in their response to his complaint does provide fair and reasonable compensation to Mr O for what's happened here. And this is because, given the circumstances I've described above, I feel that it should have been evident to Mr O that the duplicate payment he'd received from his employer wasn't a legitimate payment and that it would, in all likelihood, be returned.

I also don't feel that there was a significant financial impact on Mr O, given that Mr O moved quickly to transfer money back into his current account to bring it back into credit, which it must be noted Mr O would always have needed to do regardless of whether TSB had directly communicated the return of the duplicate payment to him in advance or not.

All of which means that while I will be upholding this complaint in Mr O's favour, I'll only be doing so to formalise the £25 offer of compensation that TSB have already made to him, and I won't be instructing TSB to take any further action, or pay any further compensation amount, beyond that offer.

In response to my provisional decision, while Mr O noted that while he didn't completely agree with it, he didn't raise any objection to it. And TSB confirmed that they also didn't object to the provisional decision.

As such, I see no reason not to issue a final decision upholding this complaint against TSB on the limited basis described above. And I can confirm that my final decision is that I do uphold this complaint accordingly.

Putting things right

TSB must make a payment of £25 to Mr O

My final decision

My final decision is that I uphold this complaint against TSB Bank plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 23 November 2022.

Paul Cooper
Ombudsman