

The complaint

Mr B complains that TSB Bank plc didn't provide support when he was struggling financially.

What happened

Mr B says he had a loan and credit card with TSB and a debt charity advised him to tell the bank when he was struggling financially. He says he spoke to TSB in April and May 2021, but it said it couldn't freeze the interest on his accounts without an income and expenditure form. Mr B says he'd completed the form in April and had also requested no contact, but this hadn't been applied. Mr B adds that TSB claimed to have tried to call several times, but his phone records show that wasn't the case. He says the issues are now affecting his personal life and health and he'd spent many hours on the phone trying to resolve things.

TSB says it did place a contact hold on Mr B's account, but this only lasted for 30 days. It said the hold was re-applied the day after Mr B called to query it. It explained that it needed to undertake an income and expenditure assessment before freezing interest and that Mr B had declined to speak about a repayment plan. It offered to reimburse Mr B for any expenses and apologised that he had not received a call back as agreed.

Our investigator recommended the complaint should be upheld in part. He found that TSB had agreed to payment holidays and had signposted Mr B to a debt charity and considered that it hadn't done anything wrong in that regard. However, he did note that TSB told Mr B, in May 2021, it couldn't freeze interest on his account until a payment plan was in place, even though it knew a payment plan was unaffordable. As this information was incorrect, and the last interest payment was 2 April 2021, our investigator considered Mr B had been caused avoidable distress and recommended £100 in compensation for this.

TSB responded to say it waived interest charges in April and May in response to contact from Mr B, before writing to him at the end of May to let him know this had been done on a permanent basis. It said it didn't feel there was any misinformation and couldn't understand why £100 compensation was justifiable because interest was waived in April and May.

Mr B responded to say he has evidence TSB didn't try to call when it said it did and did not try to help after the debt charity referral. He adds that the customer service was way below what he should expect, and the effect on his mental health led to the family breakdown.

Provisional findings

I issued a provisional decision to Mr B and to TSB on 27 September 2022. I've summarised my findings below:

- I found TSB acted fairly and reasonably when it:

- Agreed to the payment holidays;
- Charged no further interest, completed an income and expenditure analysis and signposted Mr B to a debt charity when he said he was in financial difficulties;
- Agreed to put a hold on further contact and agreed a “no offer” plan;
- Did not send a default notice whilst this complaint was ongoing;
- It was not in dispute that Mr B had to wait a number of hours on the phone;
- I acknowledged Mr B said he had proof that calls were not attempted and was satisfied from TSB’s evidence that this was the case;
- Mr B was given contradictory information about the requirements for a payment plan which meant his “no offer” plan was delayed;

I was satisfied that elements of TSB’s customer service caused Mr B unnecessary stress and anxiety, and, for this, I found £200 to be fair and reasonable compensation.

TSB did not respond to the provisional decision.

Mr B responded to say, in summary, that he had further information from a Data Subject Access Request that shows TSB did not try to call him when it said it did. Mr B was asked to send any information he considered was relevant to the findings, but nothing was received.

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.

As TSB did not respond to my provisional decision and Mr B did not provide any additional information, I see no reason to depart from my provisional decision.

My final decision

My decision is that I uphold this complaint in part. TSB Bank plc should pay Mr B £200 for the reasons explained above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B to accept or reject my decision before 5 December 2022.

Amanda Williams

Ombudsman