

## **The complaint**

Mr P is unhappy that TSB Bank plc (“TSB”) changed his graduate account to a spend and save account. This meant he had a large unplanned overdraft which he was going to be charged for. He is also unhappy at the service he received by TSB when looking into his complaint.

## **What happened**

Mr P held a graduate account with TSB. The account came with an interest free overdraft with a limit of £2,000. Due to a technical error on TSB’s part Mr P’s overdraft was removed. Mr P complained to TSB about this on 20 May 2020 and it reinstated the overdraft and compensated Mr P £39 (£30 for the inconvenience and £9 for the calls made to TSB by Mr P).

On 31 May 2020 Mr P received a letter explaining that his graduate account would be converted to a spend and save account. The letter explained that the overdraft will remain the same but that Mr P would no longer have the interest free element of the overdraft that comes with a graduate account.

Following receipt of the letter Mr P contacted TSB in June 2020 and explained he was concerned about the change in account and the impact this would have on him. TSB responded to this by telling Mr P he should contact his branch if he wanted to discuss the spend and save account. Mr P again contacted TSB in October 2020 to reiterate that he was still unhappy with the interest he was now being charged on his account to which TSB never responded.

Mr P was dis-satisfied with this and brought his complaint to this service. One of our adjudicators looked into Mr P’s concerns and reached the conclusion that as TSB had notified Mr P in advance about the changes to his account it hadn’t done anything wrong and didn’t think it had done anything wrong in how it had dealt with Mr P’s complaint. Mr P disagreed and has asked for an ombudsman’s decision.

So the complaint came to me for a decision. I issued my provisional decision on 30 November 2022. In my provisional decision, I explained why I was proposing to uphold Mr P’s complaint.

I invited both parties to let me have any further submissions before I reached a final decision and neither Mr P or TSB have added anything further.

## **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 provisional decision I said that:

*“My role is to look at the problems Mr P has experienced and see if TSB has done anything wrong. If it has, I would seek – if possible - to put Mr P back in the position he would’ve been in if the mistakes hadn’t happened. And I may award modest compensation that I think is fair and reasonable.*

*The crux of Mr P’s complaint is that TSB changed his account from a graduate account to a spend and save account (which introduced a fee for the overdraft) and failed to address his concerns about this. I can see from TSB’s internal notes from a phone call with Mr P on 17 June 2020 that he had received a letter advising of the change to his account and that Mr P was concerned about the new charges and fees that came with this account. Mr P was told that he would receive a response to his query by email.*

*Having not received a response I can see that Mr P called again on 30 July 2020 asking TSB to chase as the matter as it was now urgent as the new charges on his overdraft were due to come in on 7 August 2020. Again, Mr P received no response and chased TSB in October 2020 where TSB advised Mr P to contact his branch for more information on the spend and save account.*

*While I’m in agreement with our adjudicator that Mr P was notified of the changes to his account in advance and was aware of the introduction of charges for use of the arranged overdraft – I don’t agree that the service Mr P received regarding this change was good enough.*

*TSB failed to respond to Mr P’s concerns regarding the change in his account on a number of occasions. When it did respond it suggested Mr P spend more of his personal time trying to address his concerns by making a visit to one of its branches which undoubtably would’ve been a further unnecessary inconvenience, when I think his concerns could have been addressed over the phone or by email.*

*So overall and having considered everything, although I think TSB correctly notified Mr P of the changes to his account and charging structure of the overdraft facility, I think it failed to address his concerns about this properly and I am currently minded to direct TSB to pay £100 to Mr P for the distress and inconvenience caused by this.”*

I understand that Mr P would like a refund of the interest charged on his overdraft while waiting for a response to his complaint but as I’ve stated above Mr P is aware of the charges and fees on the spend and save account and I don’t think it would be fair to say that TSB shouldn’t be able to charge for the use of this facility. So I don’t award any refund of interest. And as neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint.

**My final decision**

For the reasons I've explained I uphold Mr P's complaint against TSB Bank plc and direct it pay the fair £100 compensation as outlined in my decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 February 2023.

Caroline Davies  
**Ombudsman**