

The complaint

Ms S complains that TSB Bank plc ("TSB") failed to provide her with working bank cards over a prolonged period, causing her serious inconvenience.

What happened

Ms S holds several accounts with TSB. In November 2021, TSB contacted her and told her that her accounts had been compromised. It said it had blocked her cards and would send replacements to her.

Ms S received the replacement cards shortly afterwards. She tried to activate one, but the card was retained by the ATM. Ms S called TSB and asked for another replacement. Shortly afterwards, she visited a TSB branch and tried using another new card in the ATM there. She says she spent around two and half hours at the branch with staff trying to help her, but they couldn't activate the card. The card worked at the chip and pin terminals but not in the ATM. The branch staff said they would order new cards.

But Ms S was due to leave the UK two days later and was concerned that she wouldn't receive the new cards in time. She told the branch staff that she was leaving the UK for good. She said she didn't have any accounts with other banks. So, without working TSB cards, she wouldn't have access to her money until she received the replacement cards. She said that a relative could post the cards to her when they arrived, but it was likely to take more than three weeks for them to reach her. TSB suggested adding this relative as a joint account holder so that they could visit the branch and discuss the accounts if necessary.

When Ms S got to the airport a couple of days later, she needed to pay an excess baggage fee. She knew she was going to have to pay this and had taken cash with her. But the airline wouldn't accept cash. Ms S couldn't pay by card because she was waiting for the new cards from TSB. She didn't have any other means of paying and says she had to call a friend to make the payment. But this took some time and Ms S missed her flight. The next available flight was three days later. Ms S stayed in a hotel at the airport during that time.

Ms S called TSB to complain. TSB told her that the replacement cards hadn't been ordered correctly by the branch staff. It apologised and said that new cards had now been ordered, which her relative would be able to forward on to her. It credited her account with £150 in recognition of the distress and inconvenience caused. TSB also said it would consider a claim for the expenses she had incurred if Ms S provided evidence of these.

Ms S left the UK without working bank cards. She says she wasn't able to pay some bills as a result, which led to her being in debt. Ms S says she gave the branch staff permission to activate the replacement cards when they arrived. But she says she shouldn't have had to do this. She also says she asked TSB to send correspondence to her relative's address, but it used the branch address without her agreement.

Ms S asked this service to look at the complaint. In April 2022, she got in touch to say her spending ability was still limited. She said she was still waiting to receive a card for her main account. She had a card for the other account but didn't have a PIN that worked with it. She

said she was able to make some contactless payments initially but couldn't complete transactions which required a PIN.

Ms S asked TSB to send a new card and new PINs for both cards to her relative. TSB says it ordered these the day it received the request. But there was a delay in sending them on to Ms S's relative which TSB says was due to extra security checks being necessary. Ms S says that post was still being sent to her old address (a property which had been sold) until around September 2022. In November 2022, TSB confirmed that it had ordered a new card and PIN. These were received by Ms S's relative in December 2022.

Overall, Ms S says that the situation has been extremely stressful and has made her question how safe her finances are with TSB. TSB was willing to increase the compensation to £250. But it said it needed to see proof of Ms S's expenses. As Ms S now lives abroad permanently, TSB says it can't guarantee that these sorts of issues won't keep happening. It says the most appropriate course of action would be to close Ms S's accounts, as it only offers a UK banking service and she no longer lives in the UK.

I issued a provisional decision on 20 February 2023 indicating my intention to uphold the complaint. Ms S responded and reiterated her dissatisfaction with the service she received from TSB. She was disappointed with the amount of compensation I'd recommended. TSB said it had no further comments following the provisional decision. I'm now making a final decision about the complaint.

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've considered Ms S's latest comments and I know she is disappointed with the amount of compensation I recommended. It's always difficult to put a monetary value on distress and inconvenience. But I'm looking at the whole picture, impartially. Our awards aren't intended to punish a business but to reflect the impact its mistakes had. I'm sorry to disappoint Ms S but, after considering everything again, I haven't seen anything which changes my mind about the fair amount of compensation here. So I'm going to uphold the complaint and award the redress I recommended in my provisional decision. My reasons are set out below.

TSB accepts that there were problems with the replacement cards it sent to Ms S in December 2021. So, what I'm looking at here is the impact of those problems and whether TSB has done enough to put things right for Ms S. I don't think it has and I'll explain why.

The first replacement card was retained by the ATM and the second one worked in the chip and pin machine at the branch but not the ATM. These issues meant that, through no fault of her own, Ms S didn't have working bank cards. TSB's notes say that when Ms S tried using the card in the branch ATM, an error message said "*you can not use this card yet, please contact your bank*". But she was at the bank and, despite their best efforts, the staff couldn't find any reason why the card wasn't working. There wasn't an issue with Ms S's account which stopped the cards from working. So, it was a problem which TSB needed to resolve.

The branch staff ordered new cards for Ms S. The information I've seen indicates that they spoke to several other departments within TSB, but none could offer any advice about why the card wasn't working. I don't think that was satisfactory. It appears that the branch staff were following advice from colleagues by ordering a new card. I think that was a reasonable step for them to take in the circumstances, although the notes record that they weren't convinced it would solve the problem.

The need for Ms S to receive working cards was particularly urgent because of her imminent departure from the UK. It was unfortunate that the issue arose so close to her travel date. But I think TSB could have done more to resolve the card problems before she went. I think it ought to have been possible for TSB to find out why the card wasn't working properly and correct that. Failing that, I think it should have been able to expedite the process for ordering new cards or suggest other solutions. But the replacement cards weren't ready before Ms S's departure and she later found out that they hadn't been ordered correctly by the branch. So, rather than resolving the issue at that stage, TSB had prolonged it.

The branch staff member was aware of the urgency of the situation. They suggested making Ms S's relative a joint account holder, so that they could discuss the accounts with TSB and help Ms S. I think that was a reasonable suggestion in the circumstances, particularly as they didn't expect the card issue to be resolved before Ms S's departure.

But TSB confirmed in November 2022 that Ms S's relative is only a joint holder of one of her accounts and no card request had been made on that account. I'm not sure whether this was already a joint account or whether the relative was added following the branch discussion I've described above. Either way, I don't think TSB implemented the solution it had suggested. I think this explains at least some of the ongoing problems Ms S had after she left the UK. If her relative had been added to the account as suggested, I don't think there would have been so many issues with the card and PIN requests being actioned or with the card and PINs reaching Ms S.

So, having been unable to resolve the card problems on an urgent basis, TSB not only made a mistake with the re-ordering of the cards but also failed to implement the joint account solution which it had suggested. I think these mistakes delayed the card issues being resolved. They also added to and prolonged the distress and inconvenience for Ms S.

Turning to the flight, the reason Ms S missed it was the difficulty she had in paying the excess baggage fee and the time this took. She knew she would have to pay excess baggage and had taken cash with her because of the issues with her cards. It's unfortunate that the airline wasn't accepting cash, but I don't think it was to be entirely unexpected. Many businesses weren't accepting cash due to the Covid-19 pandemic, which by then had been ongoing for quite some time. I think it would have been reasonable for Ms S to have contingency arrangements in place, such as having a friend on standby to take her call if she had any problems at the airport.

So I don't think it's entirely TSB's fault that she missed the flight. But I think it played a significant part. It seems unlikely there would have been a problem if Ms S had had working bank cards. She shouldn't have had to make elaborate workarounds and they were only necessary because TSB hadn't been able to provide a new card that worked.

So I think TSB needs to pay something towards the costs Ms S incurred as a result of missing the flight. TSB's complaints handler invited Ms S to provide details of her expenses. Ms S says she sent details to the complaint handler, but TSB says it can't find any record of this. Ms S says she no longer has receipts or other proof of her expenses. But she has provided enough details for me to be able to make a decision about this.

Ms S says she only paid once for the flight and baggage. So I don't think TSB needs to pay anything towards those costs as Ms S would have paid them anyway. But I'm satisfied that she spent three nights at a hotel at the airport and had to buy meals during that time. I'm also satisfied that she had to pay for another Covid test ahead of her rescheduled flight. Taking everything into account, I think it would be fair for TSB to pay £200 towards the costs Ms S incurred as a result of missing the flight.

TSB also needs to pay Ms S some compensation to reflect the distress and inconvenience she suffered. Not only did she miss her flight and have to change her travel plans, but she also had the worry and inconvenience of being unable to use card facilities on her accounts. This situation continued over a long period and Ms S had to keep engaging with TSB to try and get it sorted out. While the complaint has been with this service, TSB said that it may need to give Ms S notice to close the accounts because she no longer lives in the UK. But it knew in December 2021 that she would be leaving the UK permanently and didn't discuss this with her.

Taking everything into account, I think £500 would be a fair amount of compensation for distress and inconvenience here. TSB has already paid £150 to Ms S, so I'm asking it to pay a further £350.

My final decision

For the reasons above, I uphold this complaint. TSB Bank plc should pay Ms S £350 as compensation for distress and inconvenience and £200 towards her expenses.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 29 March 2023.

Katy Kidd
Ombudsman