

The complaint

S, a limited company, complains that TSB Bank plc didn't resolve difficulties its clients were having when trying to send it payments.

What happened

S says its clients were getting a message that the name of the business they input for a payment wasn't a match to the account. It said that this problem continued each time it raised this with TSB. And S needed to spend time convincing clients the details were correct, and they often used different and more expensive methods to make payments.

TSB said in response to the complaint that the confirmation of payee (CoP) system was in place to give greater assurance. This checked that the name on the account was the one the sender expected to provide further protection. But that it was aware of an issue affecting some customers whose clients were incorrectly getting messages that the name couldn't be matched. It said it would raise this with its IT department. And it paid S £50 in compensation and offered to provide S with a letter confirming the details for its clients.

Our investigator recommended that TSB pay a further £100. She said she had asked it for information about what was recorded on its systems about S. She hadn't received a full response. She noted that in April 2021 S had been told it could opt out of the CoP system. But that TSB now said that this seemed to be a reason in itself for the issue and had activated it again for S in January 2023. Our investigator said that the CoP messages didn't prevent S' clients making payments. And what its clients or other banks may do wasn't within TSB's control. But she thought that S could have been given clearer information.

TSB said that its digital team had reported that a recent attempt to set up a payment to S was successful as far as it could go with it. A screenshot of the name on the account matching during the payments process was provided. TSB said that the issue must be with the way that the payments are being sent. And that opting in or out of CoP wouldn't have made a difference and it hadn't found a fault with TSB's processes. Its fraud team also said that it could see that the 'name matching logic' was working as expected and there wasn't much more it could do.

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 listened to a recording of a call the director of S had with TSB on 26 April 2021. The problem was explained and the person she spoke to said there was no issue on the system. At that time, I've noted that the name of S was different and there was a discussion about how that name should be input. The director explained that this was happening for every client. TSB said that S could opt out so the message wouldn't pop up. The director said she would rather reduce the risk of a payment going elsewhere. But was told that TSB was very

confident in its system and so that this wasn't the reason. So, S agreed to opt out.

It now seems from what TSB submitted with its business file that this didn't stop messages being received as clients would be warned that the name couldn't be matched. This wasn't clarified until after the final response. And although S has again been opted in the information about exactly what the problem was and whether it has now been solved was as a result unclear and our investigator asked about this.

TSB has now provided written assurance from the teams involved and it seems that as S has been opted in the matching should be working. As I mentioned above it is unclear what the issue was in 2021 taking into account that the name of S was also different then.

I agree with our investigator that there are a number of unknowns here. But I don't think TSB showed it got to the root of the issue in April 2021 and it hasn't explained until now that opting out wouldn't avoid a message for S' clients and provided evidence that the name matching is working for S.

In light of the related service issues and taking into account our published guidelines I consider that the recommended compensation is reasonable.

My final decision

My decision is that I uphold this complaint and I require TSB Bank plc to pay S a further £100 making a total of £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 28 June 2023.

Michael Crewe
Ombudsman