

The complaint

Mr N complains that TSB Bank plc unfairly decided that he wasn't eligible for its £200 account switch incentive.

What happened

In February, Mr N arranged to switch a third-party bank account over to TSB, so he could take advantage of TSB's £200 switching incentive. The incentive was conditional on certain criteria being met, including:

- Opening the relevant type of account between 1 February 2023 and 3 March 2023
- Complete the account switch, log in to the TSB mobile banking app, make at least one debit card payment and have two active direct debits on the account – all by 24 March 2023
- Additional conditions (which aren't relevant at this time) also needed to be met in the six months from 1st April 2023

Mr N complained to TSB after being informed he didn't qualify for the incentive payment. This happened after he contacted TSB via its online chat service a day before the 24 March deadline, because he hadn't received his new debit card. Although TSB issued a new card, it advised him that he wouldn't receive the incentive payment because he hadn't set up the two direct debits on his new account. Mr N discovered he'd transferred the wrong account from the third-party bank due to his own error – he says he used this as a back-up account, so it didn't have any direct debits set up.

In its response, TSB explained that Mr N's account switch completed a month before the deadline, but there were no direct debits set up on the account, so he didn't qualify for the incentive payment. The bank said it couldn't be held liable for Mr N's error.

Mr N escalated his complaint to this service, asking that the bank honour the £200 payment he expected. Mr N said he relied on receiving this payment and that the bank affected his mental health because of the way it handled things. Our investigator concluded that TSB wasn't responsible for Mr N failing to meet the criteria by the deadline. But he went on to say that the bank should've done more to help Mr N when he reached out via its online chat service. Because it failed to do so, our investigator asked TSB to pay Mr N £50 compensation.

TSB doesn't agree – so the complaint has been passed to me for a final say on the matter.

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 agree that the fairest way to settle this complaint is for TSB to pay Mr N £50 compensation. I'll explain why.

TSB's account switch terms explain that Mr N needed to have two direct debits active on his new account before the deadline. There were no direct debits set up before the deadline, so TSB decided he wasn't eligible for the incentive payment.

Mr N only realised that he'd made an error by transferring the wrong account over when he contacted TSB a day before the deadline. Mr N says this was a back-up account, so it didn't have any direct debits set up. And because he hadn't received his new debit card, he couldn't arrange to set up the new direct debits in time. TSB says Mr N didn't need his card to set up the direct debits as the account number and sort code for his account would've sufficed. So it seems to me that the absence of a debit card wouldn't have prevented Mr N from setting up the direct debits.

Ultimately, Mr N didn't meet the relevant criteria before the deadline. So I don't think that TSB acted unfairly by not paying him the incentive. I know Mr N was concerned that the debit card not arriving is what delayed things, but TSB has shown records to demonstrate that the card was sent to the correct address. It's unclear why the card didn't arrive the first time, but I can't see anything that suggests TSB did something wrong to cause this.

However, I do share the opinion that TSB could've provided a better service to Mr N when he got in touch with the bank via its online chat service. I can see from the chat transcript that the advisor informed Mr N that he could set up the direct debits without his debit card. And, although it was a day before the deadline, the advisor said that Mr N wasn't eligible for the incentive at all.

But the information TSB has shared with us suggests there was a possibility for Mr N to meet the deadline, given it seems the bank could've exercised some flexibility via its own procedures. Although I can't fairly say that Mr N would've definitely met the deadline (particularly as he hadn't used his debit card yet), this potential for him to do so makes me think that TSB didn't do enough to support him through the process. The information from the advisor was that Mr N was outright ineligible for the incentive, even though it was only a day before the deadline and TSB's information indicates otherwise – which was that there was the possibility to meet the incentive requirements in time.

It seems clear to me that Mr N wanted to take advantage of the £200 payment – as he says, he needed the money. The TSB advisor could've done more to support Mr N by providing information on how he could set up his direct debits that day or even support him through the process of doing so.

TSB says the advisor wouldn't have had a thorough enough understanding of the switching process, to understand that there remained the possibility for Mr N to meet the deadline and therefore help him further. But TSB is the bank here and I'd expect Mr N to receive the same level of expertise and service regardless of who he speaks to. So I don't accept that possible lack of knowledge on the advisor's part is sufficient for me to decide that it's reasonable that Mr N wasn't given further support.

Because of TSB's failure to support Mr N in the way I've described above, I think it's fair that the bank pays him £50 compensation.

My final decision

I'm upholding this complaint. To put things right, TSB Bank plc should pay Mr N £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 17 August 2023.

Abdul Ali
Ombudsman