

The complaint

Ms B complains that she received a letter from TSB Bank plc trading as Whistletree (“TSB”) about a shortfall on a mortgage she’d had with another lender.

What happened

Ms B had a mortgage with a lender I’ll refer to as “N”. She redeemed the mortgage in 2013.

TSB bought a portfolio of mortgages from N in 2016. It says Ms B’s mortgage shouldn’t have been included in the portfolio it bought as it had been redeemed by that point.

In 2022, TSB wrote to Ms B about a shortfall of more than £31,000 on her mortgage. TSB accepts the letter shouldn’t have been sent to her as the mortgage had been redeemed in 2013. It apologised to Ms B and offered her £150 in total for its mistakes – its mistake sending her the letter about the shortfall and for not speaking to Ms B’s partner about the issue instead of her, as she had requested.

Ms B doesn’t think that’s enough. She says she was very distressed by the letter, that it took her back to a very difficult time in her life, and that it affected her health – something she was struggling with already. She said she’d made it clear to TSB that it should contact her partner (instead of her) about the account given the distress involved, but it had ignored that and not taken her vulnerability into account.

Our investigator considered what happened. He said he thought the £150 compensation TSB had offered her was a fair and reasonable amount to reflect the impact the letter had on her. He said TSB has confirmed that Ms B’s credit file hasn’t been affected by what happened and that TSB isn’t responsible/isn’t going to contact her about any other accounts. Ms B wanted to know more about how TSB had calculated the shortfall. Our investigator told Ms B that it couldn’t do that. Ms B doesn’t accept that.

Ms B remained unhappy and asked for the complaint to be reviewed by an ombudsman, so it has been passed to me to decide. After it was passed on to me TSB increased its compensation offer to £300. Ms B still didn’t think that was enough. Her representative (her partner) made some further points that I’ve considered below.

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.

Having done so I think TSB’s revised offer of £300 compensation is fair and reasonable. I’ll explain why.

I’ll begin by saying there’s no dispute that TSB shouldn’t have sent Ms B a letter asking for repayment of a shortfall on a mortgage that has been redeemed. TSB has apologised for this, explained why it happened and told Ms B that she didn’t need to pay it any money.

I’m in no doubt that the letter distressed Ms B. She has told us that the letter shocked her,

took her back to a very difficult time in her life, and impacted her health.

Ms B asked that TSB spoke to her partner about the matter, as she found the issue too distressing to deal with herself. TSB accepts that it didn't handle that request properly. This meant that it wouldn't speak to Ms B's partner about the issue when she wanted it to. Ms B is clearly very annoyed by this. She says TSB knew she'd previously given her partner authority to speak to N about her mortgage account. However, the authority couldn't be seen by all TSB agents, so she had to write a letter to TSB to make her wishes clear and her partner had to make a number of phone calls. Her partner says that he has gone on to spend a considerable amount of time helping Ms B pursue the issues raised in this complaint, so that TSB is held accountable, and so that Ms B can get answers to the questions she has raised.

As I said above, I'm in no doubt that Ms B was distressed to get a letter from TSB saying that she owed it more than £31,000. However, I can see that around a week after TSB sent the letter it made it clear that there was nothing for Ms B to pay and that the relevant account had been closed. So, while I'm in no doubt about the distress the initial letter caused, I can see that TSB rectified the matter promptly, as I would expect it to do. It's also clear that TSB aren't asking Ms B to pay it anything in relation to any other accounts.

Ms B has asked TSB a lot of questions about what happened and about the information it held about her. Amongst other things, it's clear she wanted to know how the shortfall figure was calculated. However, TSB has confirmed that it doesn't have that information. I appreciate how frustrating that was for Ms B. But I've no reason to think that TSB has withheld that information. I can understand why it doesn't have information about how the shortfall figure was calculated now – several years after the debt was settled. Businesses are only usually required to hold information for six years, and I can't compel TSB to give Ms B information it doesn't have.

I appreciate that Ms B has spent time and energy following up this matter. Her partner has also talked about the time he has spent representing Ms B in this matter, although I'm conscious that I'm required to consider the impact of what happened on Ms B. I don't underestimate Ms B's strength of feeling about what happened. However, whilst I'm sympathetic to her situation, I'm not persuaded that it was ultimately necessary for Ms B (or Ms B's partner on her behalf) to devote the level of time that she did to this matter.

Taking this matter as a whole I think TSB's revised offer of £300 compensation is fair and reasonable. It reflects the nature of TSB's mistakes and the impact they had on Ms B.

Putting things right

To put matters right TSB should pay Ms B £300 compensation.

My final decision

For the reasons set out above, my final decision is that TSB Bank plc (trading as Whistletree) should pay Ms B £300 compensation to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 4 March 2024.

Laura Forster
Ombudsman