

The complaint

Mr R and Ms G complain that TSB Bank plc unfairly closed their account.

What happened

Mr R says he asked TSB to raise a claim under S75 Consumer Credit Act 1974. He says there were problems with that which resulted in TSB writing to him in July 2023 to tell him it was closing the account. Mr R says that was unfair which TSB later agreed. In summary Mr R and Ms G would like significant compensation for what took place and the staff involved dismissed.

TSB accepts that the service Mr R and Ms G received was not appropriate and agrees it didn't need to close their account. It has apologised and offered £500 compensation. It also says it will assist them in opening a new account.

Mr R and Ms G brought their complaint to us, and our investigator thought TSB's compensation offer appropriate. The investigator also thought TSB had fairly offered to open a new account for Mr R and Ms G.

Mr R and Ms G don't accept that view and in summary say TSB has treated them unfairly which should result in it losing its banking licence. Mr R says he has spent over 240 hours dealing with this complaint and says his professional hourly charging rate is £175, so should be paid compensation for that amount. He questions why TSB took so long to accept liability and says its terms and conditions are unlawful. Mr R would like TSB to pay for planned works to his property and says the account could have been kept open.

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 have come to the overall view that TSB has made a fair and reasonable compensation offer and I don't require it to do anything further in the circumstances of this complaint. I appreciate Mr R and Ms G will be disappointed by my decision and I appreciate how strongly they feel about what took place.

I hope it will help Mr R and Ms G if I explain our role. We are not TSB's regulator and so it's not our role to decide if, as Mr R suggests, TSB should lose its banking licence. We are not a court and so it's not for us to decide if TSB's account terms and conditions are unlawful as Mr R says they are. I also make clear to the parties that I have considered all of the detailed submissions made to us but will comment on what I consider the relevant issues are and make clear that I will not be commenting on the S75 Consumer Credit Act 1974 complaint as that has been dealt with separately.

There is no dispute here that in July 2023 TSB made the decision to close Mr R and Ms G's account. I can see TSB wrote to Mr R on 6 July 2023 telling him the account would close in 30 days but on 11 August 2023 accepted it made a mistake. I'm satisfied TSB did apologise

in that letter and it was sent outside the 30-day period. So, I can't see how TSB could have reversed the closure process, as it must have taken place.

The main issue for me to consider is the compensation amount. I appreciate Mr R says the problems took place over a year, but I have made clear I am dealing with the account closure issue which took place over a matter of weeks. I accept Mr R and Ms G would have been caused inconvenience in opening a new account and would have been caused distress in having their account closed. But I have not seen any evidence of actual financial loss and can't see how the account closure means TSB should pay for home renovations or that there is any link.

I appreciate Mr R says he should be compensated in line with his hourly charging rate. But that is not how we approach calculating compensation. I have made clear that I can't consider the other complaint which did, it seem go on for some time, and it's clear Mr R was not acting in a professional capacity when dealing with this complaint.

I'm satisfied that from making the decision to close the account and writing to Mr R and Ms G in August 2023 to apologise for what took place, was a matter of weeks. So, it follows that for the reasons I have explained, I can't fairly order TSB increase its compensation offer and I am satisfied £500 compensation is fair and reasonable. I hope Mr R and Ms G will appreciate that I can't fairly interfere in how TSB runs its business and for example we have no involvement in staff discipline. I say that as Mr R suggests in a letter to TSB that its staff should be dismissed.

I find this now brings an end to what we in trying to resolve this dispute informally can do and if Mr R and Ms G wish to accept my decision, then that would be in full and final settlement of this complaint.

My final decision

My final decision is that TSB Bank plc has made a fair and reasonable compensation offer of £500 which it should now pay Mr R and Ms G if they accept this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G and Mr R to accept or reject my decision before 2 March 2024.

David Singh
Ombudsman