

## **The complaint**

Mr O has complained that TSB Bank plc didn't reduce his monthly mortgage payments by as much as he was expecting when he made an overpayment on his mortgage account.

## **What happened**

Mr O made an overpayment of £1007.84 on his TSB Bank plc (TSB) mortgage on 13 July 2023. Mr O telephoned TSB the same day to ask when the overpayment would show in his account and to say that he wanted the overpayment to reduce his monthly payments and not his mortgage term.

TSB wrote to Mr O on 19 July 2023 to tell him of the new monthly repayment that he would pay on his mortgage. This new amount was £3.98 a month less than what Mr O had been paying on his mortgage before he made the overpayment.

Mr O queried the level of reduction in his monthly payments, as he was expecting it to be higher. In reply, TSB said that they'd applied his overpayment to reduce the monthly payments over the full term of Mr O's mortgage.

Mr O complained to TSB on 14 September 2023. He said that he'd spoken with TSB before he made the overpayment and had been told that his monthly payments would reduce by £25 to £30 a month. Mr O explained that if he'd known that TSB would only reduce his monthly payments by £3.98 a month then he wouldn't have made the overpayment.

TSB responded to Mr O on 20 September 2023. They said that they couldn't find any evidence of Mr O contacting them about making an overpayment before his telephone call of 13 July 2023. TSB went on to say that during that call Mr O had asked that the overpayment be used to reduce his monthly payments and that TSB had checked their calculations and the new reduced monthly repayment figure was correct. TSB didn't uphold Mr O's complaint.

Mr O wasn't happy with TSB's response, so he referred his complaint to the Financial Ombudsman Service. One of our Investigators reviewed Mr O's complaint. Their view was that TSB hadn't done anything wrong as there was no evidence of Mr O having spoken with TSB before he made the overpayment. Our Investigator didn't uphold Mr O's complaint.

Mr O didn't agree with our Investigator's view so asked for his complaint to be considered by an Ombudsman. He maintains that he did speak with TSB before he made the overpayment. Our Investigator has asked Mr O to provide details of this earlier call but hasn't received a reply from Mr O.

## **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 carefully to the recordings of two telephone calls that Mr O had with TSB. These are the only two telephone calls with Mr O that TSB say that they have a record of.

Mr O telephoned TSB on 16 October 2023 to update his contact details. Mr O also spoke about the complaint he made to TSB during this call.

Mr O had previously telephoned TSB on 13 July 2023, and it is this call which I think is more pertinent to Mr O's complaint. In the call Mr O explains that he's made an overpayment of £1,007.84 on his mortgage and wants to know when this will show on his mortgage account. He is told that he will be able to see the payment within 24 working hours.

Mr O then asks whether the overpayment will reduce his mortgage term or his monthly payments. Mr O explains that a setup fee of £1,000 was applied to his mortgage and he'd prefer his overpayment to reduce his monthly payments. The TSB representative that he speaks to says that they will arrange this for Mr O and further explains that Mr O's monthly payments will "*decrease slightly*" following his overpayment.

On balance, the impression I have from listening to the 13 July 2023 telephone call is that this is the first time that Mr O has spoken to TSB about his overpayment. I say this because Mr O asks how long it will take before the overpayment appears in his account and whether the overpayment will reduce his mortgage term or his monthly payments.

I think it would be reasonable to assume that if Mr O had previously spoken with TSB and had been told that by making the overpayment his monthly payments would reduce by £25 to £30 then he would be unlikely to ask how his overpayment will be treated once he's made the payment.

I've also seen no evidence to show that Mr O contacted TSB before he made the overpayment and was told by TSB that his overpayment would reduce his monthly payments by £25 to £30. Our Investigator has asked Mr O if he can provide some details of this earlier call that he says he had with TSB but has not received any reply from Mr O.

I therefore think it's reasonable to conclude that Mr O only spoke with TSB after he'd made the overpayment. I therefore don't uphold Mr O's complaint.

### **My final decision**

My final decision is that I don't uphold Mr O's complaint against TSB Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 4 June 2024.

Ian Barton  
**Ombudsman**