

## **The complaint**

Ms O complains that TSB Bank plc hasn't provided the support or service it should have when she has explained her financial circumstances. She says she has made reasonable offers to settle the loan, but these haven't been accepted and she finds TSB difficult to communicate with and says it hasn't been willing to engage with her.

## **What happened**

Ms O was provided with an £18,000 loan in October 2020. The loan was repayable over 60 months and Ms O made regular repayments towards the loan until January 2023.

Ms O has explained that in February 2022, she had to move away from the UK to care for a family member. She then used savings to pay for the loan, but these were depleting, and she was dependent on benefits and had additional costs due to her change in circumstances. She called TSB on several occasions and went through affordability checks, and these showed she had nothing left to pay towards the loan. She offered to make a partial payment to settle the loan, but her offers weren't accepted. Ms O says she has spent hours on calls to TSB and written letters trying to resolve this situation but without success. She says the calls cost her a lot of money as she is ringing from outside the UK and this issue has affected her mental health and is causing her a great deal of stress.

TSB issued a final response letter dated 21 June 2023. It said Ms O had complained that her offer to settle the loan hadn't been accepted. It said it had considered Ms O's offer but noting the offer made compared to the outstanding balance on the loan this wasn't enough for the offer to be accepted.

Ms O wasn't satisfied with TSB's response and referred her complaint to this service.

Following Ms O's referral to this service, TSB made a proactive offer of £50 for the service Ms O had received.

Our investigator didn't uphold this complaint. He noted that Ms O had made an offer to settle the debt but said he couldn't require TSB to accept this. He noted the cost Ms O had noted for making calls to TSB but said that TSB had provided the number for calls from abroad in its final response letter. He said that TSB was required to provide Ms O with relevant loan notices and notices of arrears but said that TSB weren't asking for Ms O to make any repayments at this stage due to the review of her circumstances. He didn't think the £50 offer made by TSB for the service issues was unreasonable.

Ms O didn't accept our investigator's view. She said she wasn't asking for compensation but wanted TSB to engage with her to resolve the issue of her outstanding loan. She reiterated that she couldn't afford to make repayments or enter into an arrangement and said that she had made a settlement offer when she had the money, but this was refused, and she no longer had these funds available. She says when she calls, she spends time repeating the issue she has, and it takes time to get through to the correct department. She said she hadn't been told that she wasn't expected to make payments at this time and instead TSB kept writing to her to say she needed to pay the amount agreed in the arrangement even

though an arrangement wasn't in place.

### **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 am sorry to hear of the circumstances that have led to Ms O's complaint. I can understand that following her change in circumstances she has wanted to bring her outstanding loan with TSB to an agreed close. I note that she has attempted to discuss this with TSB and appreciate the difficulties she has experienced with this, I also accept that she has offered what she could afford at the time to settle the account. But, while I note the efforts Ms O has made, to uphold this complaint, I would need to be satisfied that TSB has done something wrong or treated Ms O unfairly.

Ms O took out a loan with TSB and was maintaining her repayments until January 2023. However, she has explained that from February 2022, she was using her savings to make the repayments. I can understand that this situation wasn't sustainable and why she made offers to settle the loan. However, TSB wasn't required to accept Ms O's partial settlement offers. The amounts Ms O offered were substantially lower than her outstanding balance and while I understand she offered as much as she could afford, I do not find I can say that TSB did anything wrong by not accepting this and explaining to Ms O that it would need a higher amount to consider settling the loan.

Ms O has said that she understands that TSB didn't have to accept her offer but she feels it hasn't engaged with her. I understand how frustrating it is for her to have to keep repeating her circumstances when she makes calls to TSB to discuss her loan and I note her comments about not receiving call backs and the cost of making calls from outside of the UK. But TSB has explained that not every department is able to make international calls and has said TSB is mainly for UK customers. It has provided Ms O with the number to call from overseas and while I do not underestimate the frustration Ms O has experienced, I find that TSB has provided her with a way to make contact.

I have also looked through the call notes provided by TSB and can see that the advisers have tried to assist when contact has been made. There have been discussions about payment plans but as Ms O's income and expenditure assessment showed her to be in deficit a plan couldn't be put in place.

While I understand that Ms O wasn't seeking compensation through this complaint, TSB has offered to pay her £50 for the service issue she has experienced, and I do not find this unreasonable. Ms O should contact TSB if she wishes to accept this offer.

Ms O is clearly stressed by having this loan outstanding. I note she previously asked what amount would be accepted as partial settlement, but TSB has said it wouldn't be able to provide this and this isn't something it is required to do. Ms O's account was moved to TSB's recoveries team in June 2023, following the required letters being sent. This means that no further interest will be added, and that Ms O is able to make payments as and when she can afford to do so. I find that this was a reasonable response to Ms O's situation. We would expect TSB to continue to treat Ms O positively and sympathetically in regard to the outstanding balance noting her circumstances.

So, while I understand the upset this issue has caused Ms O, in this case, I do not find that I can say TSB has done anything wrong or treated Ms O unfairly. Therefore, I do not uphold this complaint.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 7 June 2024.

Jane Archer  
**Ombudsman**