

The complaint

Mr F complains that TSB Bank plc has re-registered a default with the Credit Reference Agencies (CRA's) and provided him with poor customer service.

What happened

Mr F received a letter from TSB in June 2023 from their rectifications team which told him that they had been reviewing their internal procedures for accounts in arrears, and as a result of this, they said they would reduce the amount he owed them by £441.27. The letter also stated that the default would remain on his credit file for six years from the date it was originally registered. But Mr F previously had confirmation from TSB that the balance had been written off and the default had been removed.

Mr F checked his credit file and he saw that TSB had reported a default to the CRA's. He contacted TSB and he says he asked for a call back to resolve this. He says the call handler confirmed they could see the default. Mr F says he rang back a few days later, advising them again there was a default on his credit file, and he would like a call back to resolve this. Mr F says that the second call handler also confirmed they could see the default. Mr F made a complaint to TSB.

TSB did not uphold Mr F's complaint. They said the balance was written off and the default was removed, however Mr F's account was still picked up for review under this rectification. They confirmed the decision reached under his previous complaint stands, and the default was removed, and the balance was written off. They apologised for any concern or confusion which was caused as a result of the letter he received. Mr F told TSB the default hadn't been removed, and they asked him for proof of this. Mr F sent them evidence of this, but he didn't hear back from TSB, so he brought his complaint to our service.

TSB offered Mr F £150 after he brought his complaint to our service. They said they didn't address one of his main complaint points, he rang them several times after their final response for updates, which they could've provided clearer information, and managed his expectations, and after correcting Mr F's credit file in September 2023, they could have sent him a letter confirming this, including an acknowledgement of their error.

Our investigator felt the £150 offer was fair. He said TSB now acknowledge the default was reloaded in July 2023. But TSB have also told us the default was re-deleted in September 2023. He said contacting TSB on several occasions about this will have been most inconvenient, and the responses received will have caused significant frustration. Our investigator said this lasted several months and, whilst TSB did act to remove the default, they didn't tell Mr F, meaning the impact lasted longer than it ought to have done.

Mr F asked for an ombudsman to review his complaint. He made a number of points. In summary, he said TSB ran an exercise to identify customers who had been overcharged interest, but this still doesn't explain why his account wasn't flagged as being closed and therefore nothing should have been sent to the CRA's, this wasn't the first time this had happened to him with the default, which impacted him further as a result of what had happened previously. Mr F wanted assurances this wouldn't happen again, and he said due

to TSB's actions he now pays for his credit file each month, and he'll need to do so for six years, which TSB should pay for. He said they paid him £500 previously for his complaint so the £150 offer now is insulting.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Firstly, I'm aware that I've only summarised Mr F's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I must make it clear to Mr F that I'm only able to look into the new complaint points he's brought to our service, and I won't be able to address issues that he's previously brought to our service.

TSB sent Mr F a letter in June 2023 from their rectification team. I don't find it unusual that Mr F's account was part of this rectification exercise as the letter explains that the events covered under this were from 2 December 2019 to 19 February 2020. And although Mr F's account was closed (as confirmed by TSB with evidence) on 14 June 2021, it was still open during the period which was covered.

Whilst I'm satisfied TSB sent Mr F a standardised letter, which wasn't amended to reflect the balance had been written off and the default removed, when the remediation piece was concluded for Mr F's account, their system was "reloaded", which resulted in the default once again being reported to the CRA's. This is the main error here.

This would have been very distressing for Mr F, given that he thought all of this was behind him and he had previous confirmation from TSB that his account had been closed, the balance had been written off, and that the default had been removed.

Mr F was also inconvenienced as he had to contact TSB to try and get the default removed. It also appears he had conflicting information about the default. I say this as TSB's final response said that the default had been removed. And while it had previously been removed, once the reloading had taken place, it was being reported to the CRA's. Mr F has told us that the call handlers he spoke to could see the default, and he knew from looking at his credit file that there was a default, but in a letter dated 5 September 2023, TSB said "I can confirm a Default is not currently registered on your Credit File and was removed as initially agreed". But again, it appears TSB missed that they were reporting a default after the default had previously been removed, which would have further distressed Mr F.

Mr F was inconvenienced to have to send TSB evidence of the default (even though he says the call handlers confirmed they could see the default). Although Mr F sent TSB the evidence they asked for, he received no confirmation that the new removal of the default had been actioned, despite this being removed in the same month he sent the evidence.

So Mr F was further inconvenienced by having to chase TSB up. It would be reasonable for TSB to respond to Mr F as they had asked him for further information after his final response letter. Mr F has forwarded our service a couple of emails he says he sent TSB dated 8 September and 1 December 2023 – both before he brought his complaint to our service. On 8 September he sent them the credit file evidence and he asked them for a phone call, which

I can't see one was made to him, or that the email was responded to – even though it does appear TSB acted on this information to remove the default that month.

But it appears that the email he thought he sent TSB on 1 December 2023 was actually sent to himself. I say this as the email shows it was sent to an email address which contained his forename and surname. It did not show the email address belonging to TSB, so I can't conclude TSB received the December 2023 email.

I've considered what would be a fair outcome for this complaint. In doing so, I've considered the impact of what happened here on Mr F. I'm persuaded that due to Mr F's unique personal circumstances and what had happened previously with the default, that the reloading of the account and reporting of the default to the CRA's would have a greater impact on him than the £150 which TSB offered Mr F.

Mr F believed everything had been rectified previously, so to receive a letter informing him that a default would stay on his credit file for six years – and then to find out it actually was being reported to the CRA's would be very distressing to him. And TSB acknowledge themselves that they let Mr F down regarding their communication or lack of communication with what happened.

So I'm persuaded that £300 is proportionate compensation for what happened here, and it is more in line with our awards for the impact on Mr F. I know this is less than what Mr F wants as a result of this complaint. But I must explain to him that our awards are not designed to punish a business or to make it change the way they act in order to protect other customers in the future. That is the role of the regulator. We sometimes award compensation if we feel that a business has acted wrongfully and therefore caused distress and inconvenience to their customer over and above that which naturally flows from the event.

I know Mr F has concerns that this could happen again. And given his history with TSB, I can understand why he may feel this way. It may be possible that TSB undertake further rectification work in the future which could affect this account, and therefore they can't guarantee this won't happen again. But I would like to think they will learn from what happened here – although it is not within my power to ask them to change their systems. But should Mr F be affected in the future, he should make a complaint with TSB, and if he isn't satisfied with their response, then he may be able to bring his complaint to our service.

I also understand Mr F's concerns about checking his credit file to ensure this doesn't happen again. But it would not be proportionate for me to ask TSB to pay Mr F's monthly fee for this. I say this because there are third party sites which can show his credit file information for free, including his account history. If Mr F is unable to find these companies, then our investigator will be able to give him the name of some of these companies which won't charge him. So I'm persuaded £300 compensation is a proportionate award for what happened here. So it follows I intend to ask TSB to put things right for Mr F."

I invited both parties to let me have any further submissions before I reached a final decision. Mr F accepted the provisional decision. TSB did not respond to the provisional decision.

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.

As neither party have provided me with any further information to consider, then my decision and reasoning remains the same as in my provisional decision.

Putting things right

In my provisional decision I said I intend to uphold this complaint. I said I intend to ask TSB Bank plc to pay Mr F £300 for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint. TSB Bank plc should pay Mr F £300 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 3 May 2024.

Gregory Sloanes
Ombudsman