

The complaint

Mr S complains TSB Bank Plc haven't properly addressed the impact the overdraft charges they applied had on him.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements of this below, and they form part of this final decision.

Mr S was contacted by TSB as they were doing a project – and this resulted in a refund of interest and charges applied after TSB had defaulted two of Mr S' accounts. On the reverse of the letter, TSB asked Mr S to let them know if there was anything else they needed to know about and to take into account. Mr S says on 15 May 2023 he contacted TSB – explaining the trauma he went through. After explaining this, TSB took the complaint on, but Mr S didn't hear anything. He tried to reach the case handler, but she didn't reply to him and instead just sent a response. Mr S says he has anxiety, and not being able to reach his case handler exacerbated how he was feeling. When the response to the complaint was sent, Mr S says the complaint he raised wasn't actually answered.

On 30 May 2023 TSB said they understood Mr S' concerns were about the amount of redress and that he wanted it paid the same day. TSB said they'd paid Mr S £306.65 and £1,275.97 on 18 May 2023. They added these amounts had been agreed with the regulator the Financial Conduct Authority – and our service – so they wouldn't be making any further payments. And they'd paid the amounts quicker than usual, as usually it'd be a month.

Eventually Mr S was able to reach TSB's case handler. He explained his concerns again to her, which he says is about how he was treated since 2013 when they were applying the overdraft fees. And that TSB hadn't addressed this.

TSB issued a second response on 9 June 2023 – this said Mr S was unhappy with:

- *The amount of redress paid and that he wanted it paid the same day*
- *He wasn't told the complaint had been reopened and there were no timescales now for dealing with this issue*
- *The complaint hadn't been dealt with correctly because he's talking about how he was treated between 2013 and 2018. They thought Mr S was saying during this time he was in a dark place and compensation of £2,500 is warranted*
- *Multiple calls to his complaint handler hadn't been answered*

TSB reiterated what they previously said about the payments. In respect of the complaint being reopened they were sorry Mr S wasn't told about the timescales for investigating matters – and they could see he'd tried to call a few times since 30 May 2023 but he's got to give them time to look into things.

In respect of supporting Mr S between 2013 and 29 May 2018 TSB said they'd often refunded him interest and charges and set up multiple payment plans – when normally they'd only set up three plans – and, on some of the plans, interest was frozen. They said

Mr S talked about them not signposting him to debt charities, but they said they did. They noted Mr S had told them he'd been in a very dark place, but they had no record of him telling them this during the period in question. TSB added if he had, then they'd have referred him on for support. But, the only occasions they could note of him telling them how he was feeling was July 2019 and May 2020. Overall TSB didn't think they'd done anything wrong with the support they'd given him but said sorry and offered him £100 compensation for not addressing all of his issues first time around. This payment was later made to Mr S.

Unhappy with TSB's responses Mr S got in touch with us – reiterating his complaint was about TSB not addressing what they'd asked him to tell them about – which was the impact on him during 2013-2018.

One of our Investigators considered things, but overall felt TSB had done enough to put matters right.

Mr S didn't agree. He said TSB hadn't even attempted to address the issues he had – and he asked for a final decision, so the complaint's been passed to me to decide.

What I've provisionally 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.

Mr S has made it clear his concerns aren't about the amounts he's been refunded. The issue he's looking to be addressed is the impact on him during 2013-2018 and his unhappiness about how things were handled by TSB when he raised those issues more recently. Because of that, I'll focus my comments on this.

Mr S has said he had a lot going on during the time TSB applied charges to his account and this impacted him. Their letter said to contact them if he had issues during that time. My understanding is Mr S is saying although TSB may have frozen his account, refunded charges and taken other actions during 2013-2018 this all happened before he told them about his health issues. So, now they know about the health issues he was having, he wanted TSB to address things further. To be clear, although TSB may not have, as he's now escalated his concerns to our service it's for us to address – so I wouldn't expect TSB to do anything further at this point.

That said, I don't think they ever properly got to grips with Mr S' concerns and I think that's exacerbated the issues he's experienced.

In their response on 9 June 2023, TSB have said they didn't know about Mr S being vulnerable until 2019 – and had they known they'd have referred him to their tailored support team.

Given Mr S hadn't told TSB about his health conditions during 2013-2018 then I can't reasonably say TSB should have provided Mr S with additional support. I say that because if they didn't know, there wasn't really anything they could have done to help him.

But, I think the point here is TSB made an error in charging the interest and fees they did – and now Mr S knows they made an error.

And, during the time TSB made an error, Mr S was having a particularly difficult time. So, I think it's appropriate for some compensation to be paid to reflect that.

Putting things right

In deciding what a fair amount is, I need to take into account all the circumstances – this not only includes TSB charging Mr S in error – but also that TSB didn't know about Mr S' vulnerabilities. Had TSB known about Mr S' vulnerabilities, then I think the compensation I'd consider awarding would be higher – on the basis they didn't take those into account when getting it wrong. But, as they didn't know what Mr S was going through at the time, I think that does limit the amount I can fairly attribute to TSB. And I can't ignore that TSB proactively refunded the fees and interest to Mr S.

I've seen Mr S wanted £2,500 compensation. I don't though think that's in line with our guidelines. TSB have refunded the financial loss they've caused Mr S, and to date paid £100 for the case handlers' errors. I think a fair amount would be another £200 – bringing the total compensation to £300.

Responses to my provisional decision

Mr S replied, he said:

- Now that TSB know about his vulnerabilities, can we ask them to consider increasing the compensation
- The £100 and £200 compensation has nothing to do with his original complaint, this is just about chasing up the complaint handler
- His original complaint hasn't been addressed by TSB – and now they know what will they do about it
- During the time when they applied higher charges, he says this led to higher borrowing costs which he wants considered

In summary, Mr S says this needs to go back to TSB to resolve.

TSB agreed to my suggestion to pay Mr S a further £200 compensation.

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 thought carefully about Mr S' comments that his concerns need to be passed back to TSB, but that wouldn't be right.

TSB had the chance to consider Mr S' concerns and have now lost that opportunity as a result of not handling things properly. If Mr S were to contact them, although it's entirely TSB's discretion in terms of what they do, I think it's likely they'd say they'd already considered his complaint.

The key point here is TSB would say they've already considered it, but I don't think they did properly.

Mr S believes as a result of TSB asking him to tell them what the additional impact was that this means they would do something further.

I agree the wording does give this impression, but that doesn't mean Mr S automatically gets back what he's asked for – which, in this case, is additional lending costs.

I say that because I know lenders take into account a large number of different factors when deciding whether to lend and at what rate. So, I can't reasonably say anything TSB may have recorded on his credit file would be the sole reason he incurred higher borrowing costs. As a result of that, I wouldn't be refunding him those costs.

In addition, I've seen nothing to suggest TSB knew Mr S was vulnerable during the period of applying the charges. Although they were applied unfairly, they've since been refunded.

I've explained in the 'Putting things right' section why I felt a further £200 compensation was fair, and I remain of the opinion that's an appropriate way to resolve Mr S' complaint.

My final decision

For the reasons I've explained I partially uphold this complaint and require TSB Bank Plc to pay Mr S a further £200 compensation – bringing the total amount to £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 May 2024.

Jon Pearce
Ombudsman