

The complaint

Mrs T complains that TSB Bank plc ("TSB") were unable to locate her safety deposit box or provide her with an explanation of what happened to it and its contents which contained thousands of pounds of jewellery and also held significant sentimental value.

What happened

Mrs T and her late husband held a safety deposit box from 1990 which TSB took over responsibility for around 2013.

TSB contacted its security company regarding this in February 2023 following a request for Mrs T's safety deposit box from her. The security company responded saying the safety deposit box was sent to a branch of TSB on 11 March 2016 and that it was never returned. Mrs T complained to TSB about this. Mrs T is certain she never requested the safety deposit box to be requested for collection in 2016 and thought it was still held safely with TSB.

TSB failed to send a final response to Mrs T within the eight week timescale and so Mrs T brought her complaint to this service.

TSB believes that although it doesn't have a receipt to confirm Mrs T took the safe deposit box away from its branch in March 2016, that given a valuation of the contents was conducted around the same time that this is what happened.

TSB has provided this service with a branch copy of a "Safe Custody Instruction" requesting a safety deposit box to be delivered to a branch of it (Mrs T's branch) by a security company on 11 March 2016. TSB say on receipt of the safety deposit box its branch would've then phoned the customer straightaway and asked them to come in for collection. If the customer hadn't collected the box it would be returned to the security company. But TSB acknowledge there is nothing specific that tied the safe custody instruction directly to Mrs T's box.

A valuation of the jewellery Mrs T says was held in the safety deposit box was conducted by "C" on around 17 March 2016. The valuation is detailed and includes an itemised record of each piece of jewellery valued including its gold content and its exact weight. C has confirmed that it didn't require the physical presence of Mrs T's jewellery to conduct the type of valuation requested – a charity valuation for religious purposes - but couldn't say whether the jewellery was present or not in Mrs T's case when C valued it in 2016.

Following bringing her complaint to this service TSB made an offer based on the following:

The most recent safe custody certificate it has is from 1990 with a standard insurance cover of £500. It has been years since it accepted new safety deposit boxes and over the last 10 years it has been engaged in a project to return these boxes. Using the Bank of England inflation calculator it has calculated that the equivalent of £500 today is £1,176.89 (based on January 2024).

The last valuation from the jeweller C was in 2016 and counting for inflation using the Bank of England calculator it estimates the total value to be £30,916.27.

Due to the type of items Mrs T says were held within the safety deposit box it believes Mrs T would've had to pay 20% excess had they taken insurance. So TSB is offering as a gesture of goodwill to pay 20% of the estimated value which is £6,183.25 plus the value of the inflated standard cover at £1,176.89 bring the total offer to £7,360.14.

TSB has also agreed to pay Mrs T the £150 compensation as recommended by our investigator initially for the poor service Mrs T received by TSB in responding to her complaint.

Our investigator thought this offer was fair and reasonable in the circumstances as her safe custody certificate did explain Mrs T should have her own insurance in place to cover the items held on deposit, but failed to arrange any insurance and TSB's offer is more than what they'd recommended. They recommended Mrs T should still be compensated £150 for the service she received regarding this.

Mrs T's representative is dissatisfied by this, she says by agreeing to pay out standard cover TSB are admitting that it is liable for a breach of contract and on this basis think that it should offer the current market value of the gold that is in TSB's possession and has asked for an ombudsman's 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.

I hope that Mrs T won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. I've outlined in the background what I believe to be an accurate reflection of the circumstances surrounding Mrs T's complaint based on the evidence provided by both party's and I don't see any use in repeating that here in any more detail.

It might help if I explain here my role is to look at problems that Mrs T has experienced and see if TSB has made a mistake or done something wrong. If it has, we seek to put - if possible – Mrs T back in the position she would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

In this case having considered all the evidence it is clear to me that TSB have made some mistakes. In particular, not keeping accurate records regarding the whereabouts of Mrs T's safety deposit box. But I don't think it is possible to make a finding here – based on the evidence – whether the contents of this box were removed by Mrs T and not replaced, or are still in TSB's possession or lost. And nor is it possible to say for sure what was held in the safety deposit box.

I fully appreciate this is most unsatisfactory for Mrs T given not just the financial value of the jewellery she believes has been lost but also the sentimental value. But I am limited as to what findings I can make based on the evidence we have. And in this case, I don't think there is conclusive evidence that items were removed from the safety deposit box or not or indeed what it held.

But overall, I don't think this matters as in this case what I need to decide is whether TSB's offer is fair and reasonable and whether it puts Mrs T back in the position she'd be in if the mistake – TSB failing to keep proper records – hadn't happened.

And I think the offer is fair. As I have seen a copy of a Safe Custody Agreement for Mrs T's safe deposit box signed by her and her late husband from 1990. The agreement clearly states the customer is responsible for:

"insuring the contents of the packet if the value is greater than the standard cover".

Furthermore, this is confirmed in the Safe Custody Conditions say under 6 where it says:

"The Bank's liability for any other loss or damage to the contents, howsoever caused, is limited to the standard cover...".

TSB say the standard cover at the time was £500. This means that even if it was actually determined TSB had lost the box and contents its liability was limited to the standard cover.

TSB hasn't told us what the standard cover at the date of the last annual charge is, but it has agreed to pay the inflated value of this cover from 1990 to this year amounting to £1,176.89 which I think is a fair way to work out what it was liable for under the agreement if it can't say what the standard cover was at the last date Mrs T was charged.

Furthermore, TSB has agreed to pay what it considers to be the excess (£6,183.25) Mrs T would've had to pay had she insured the contents of the safe deposit box as was her responsibility under the agreement she signed. As this is more than what TSB would be liable for, I think this is a fair way to settle Mrs T's complaint.

And I also think £150 compensation recommended for the service Mrs T received from TSB is fair.

I understand that Mrs T wants TSB to replace the entire value of the contents of what she believes the safety deposit box held, but even if the contents of the box were lost entirely due to an error on TSB's part – it wouldn't be liable for this as it was Mrs T's responsibility to insure the contents as it is only her who can decide what to put in the box and had the ability to have the items valued.

Indeed, the safe custody conditions also state that the Bank shall be deemed not to have knowledge of the contents of the packet. And so although I appreciate this will come as a huge disappointment for Mrs T I think what TSB has offered is fair and reasonable and I'm not going to ask TSB to do anything more.

My final decision

For the reasons I've explained, I've decided that what TSB Bank plc has agreed to do to settle Mrs T's complaint is a fair way to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 25 June 2024.

Caroline Davies
Ombudsman