

The complaint

K, a limited company, complains that TSB Bank plc didn't complete a switch of its bank account and provide sufficient support and help.

What happened

K asked TSB to switch its bank account from a different financial business which I will anonymise here as the 'old bank.' The switch failed on 27 July 2023 and TSB told K to contact the old bank to deal with this. But K says that the old bank told it to contact TSB. K says it now has two accounts and this is costly and making it difficult to manage its business.

TSB issued a final response to K's complaint and said it hadn't made a mistake. It said that the old bank had rejected the switch due to a difference in account mandate there compared with the TSB account. And that K would need to contact the old bank to submit a new switch once the details had been amended to match. TSB said it hadn't had an updated request.

Our investigator said that the reason the switch hadn't been processed was due to the mismatch of information about K. That wasn't due to a mistake by TSB. But K had explained how long a director had spent on the phone with TSB and that he had been told that only one director would need to be on the mandate. He was also passed to different departments including incorrectly to a personal banking switching team. A second switch attempt in August 2023 also failed. So, he considered that K should be paid £100 for the poor service involved.

K didn't agree and wanted its complaint to be reviewed. K said it wasn't clear how the compensation had been calculated. The issue now was that it had two accounts and credits and direct debits were still going through the old bank account. K wanted this to be resolved and said that it had problems dealing with TSB and there was no clear point of contact. K didn't think that the complaint had been resolved and wanted this to be considered by an ombudsman.

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 can appreciate K's concern that TSB told it to contact the old bank about the failed switch and that when it did so it was referred back to TSB. And that it didn't receive a clear explanation of how the problem with the switch could be dealt with.

TSB has explained that it opened an account for K on 24 July 2023. It processed a switch request for K based on the information about the account. And this was rejected by the old bank. From what I've seen, TSB received a rejection 'code' which indicated to it that the problem was to do with a difference in mandates between the TSB account and the old bank account. It didn't receive more information than that from the old bank because of the mismatch. I don't think it made an error as a result in asking K to contact the old bank which would be aware of the specific issue. In its complaint form to this service K states that it was

told by the old bank that the differences related to the mandate, the address for K and the registration number.

I think it was reasonable for TSB to work on the basis that the information used to open the account and provided by K was correct and most up to date. So, it was necessary for K to update its information at the old bank. That's what it said to K in the final response. But TSB was wrong to then go on to say that the old bank would need to send a switch request. TSB had the responsibility for submitting any request as part of the switching process here.

TSB has now confirmed this in the information provided to this service and said that once the information matches at the old bank then K can submit a new switch request. I'm afraid that this remains the process K would need to follow to complete the switch and so in that way deal with its regular payments and credits to the old account.

I take into account what K says about the service received. And that it wasn't clear what was required when a second switch was attempted. But that the fundamental reason for the failure of the switch wasn't due to a mistake by TSB. I agree with our investigator that a payment of compensation for inconvenience is appropriate. I've considered this against our published guidelines and noted that K, the complainant here, is a separate legal entity that can't suffer distress. I find that £100 is the fair amount.

My final decision

My decision is that I uphold this complaint and I require TSB Bank plc to pay K £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask K to accept or reject my decision before 5 July 2024.

Michael Crewe
Ombudsman