

## **The complaint**

Miss K complained that since September 2022, she had been unable to make payments to her mortgage with TSB Bank plc trading as Whistletree, using a debit card. She said the problem was with Whistletree, it was costing her time and money, and causing stress.

## **What happened**

Miss K told us that since September 2022, every time she tried to pay her mortgage to Whistletree using her debit card, the payment was declined. Miss K said she has a current account at a different bank (which I won't name here) but that bank has looked into things for her, and the problem isn't there. Miss K said she just wanted to be able to make a payment using her own card. Since September 2022, she has been attempting payments on her own card every month, but when that fails, she asks a family member to make the payment for her, on that person's own card. Then she transfers the money to the person who has paid.

Miss K said she suffered with anxiety, and this was making things worse.

Whistletree said it didn't think it was causing this problem. It has sent Miss K two final response letters. The first, dated 13 December 2022, said Whistletree hadn't done anything to cause her payment to decline. The second, dated 22 February 2023, said Whistletree was sorry this kept happening, but Miss K would need to talk to the bank that manages her current account. Whistletree also referred Miss K to its website then, which it said detailed a number of alternative payment options that she might like to consider.

The problem continued, and Whistletree has said to Miss K since then that it's getting the same error message each time, which indicates a problem with her address. It also said there was nothing it could do to resolve this. Miss K has suggested that the problem may have been with the postcode that Whistletree has input for her, but Whistletree says it has checked, and there's no mistake on her postcode, so it has ruled this out.

Miss K's payments continued to fail, so she asked our service to look into things.

Our investigator didn't think this complaint should be upheld. She said that Miss K's card was being declined due to an AVS failure, which means her billing address doesn't match the address on file for her card. But our investigator said Whistletree did have the right address on file for Miss K. Our investigator understood Miss K said this was only a problem with her payments to Whistletree, but she said our service hadn't been able to see that Whistletree had done something wrong.

Our investigator said that Miss K told us she hadn't set up a direct debit or standing order to pay Whistletree instead, because she was worried she won't always have enough money in her account when the payment is taken out, and that the payments might be taken out early. And there are no local branches near her, for her to pay in-person, as Whistletree doesn't have branches. But our investigator said she still thought part of the onus is on Miss K to take reasonable steps for her monthly payments to be received, and although she preferred not to set up a direct debit or standing order, she hadn't taken any further steps to mitigate her circumstances.

Our investigator recommended that Miss K get in touch with her debit card provider to check that the address it has on file matches the one on her mortgage, and she also recommended checking her credit file to see what addresses were associated with her debit card account.

Miss K didn't agree with our investigator. She said she hadn't been asked to provide evidence of her other payments made with her card, as we'd said we would be speaking to the bank where she holds her current account. (Miss K said she thought that was odd, because her bank would not talk to a third party about her account, but she felt it was not her place to challenge how our service works.) Miss K said we hadn't recorded that she had always made payments successfully with Whistletree until it changed its payment system.

Miss K said it was unfair to blame her for not setting up a direct debit. She said she had been unwell, and that was why she couldn't commit to this payment method. She also said there were lots of other examples of where she felt her complaint had been misunderstood.

Miss K said that Whistletree had acknowledged the problem started when it changed its payment system, and she said that many other staff believe the postcode had been incorrectly inputted, possibly using a letter O rather than the number 0. Miss K also said that a card payment service was offered on the automated system, but that hadn't worked for her for over a year. And she told us she'd had the same address for many years.

Miss K was adamant that the bank which manages her current account had done nothing wrong, and said the problem was a systems issue with Whistletree, which we just hadn't uncovered. Miss K told us that she'd spoken to her bank, and the manager had issued her with a new card, on a different account. Miss K then tried to make a payment with that card, on 30 November 2023, and she said that was rejected too. She has shown us a letter which confirms that her December 2023 payment didn't clear either. Miss K took the view that this proved the problem lay with Whistletree, and was something that started since Whistletree set up a new payment system in 2022.

Miss K wanted her complaint to be considered by an ombudsman, so it was passed to me for a final decision. And I then reached my provisional decision on this case.

### **My provisional decision**

I issued a provisional decision on this complaint and explained why I only proposed to uphold it in part. This is what I said then:

Before I turn to the core of Miss K's complaint, I should deal briefly with an issue about the complaint letters Miss K shared with us. When Miss K wrote to our service, she sent two final response letters from Whistletree. Those set out that Miss K can refer a complaint to our service, but if she wants to do so, she must do so within six months of the date on the letter.

The first final response letter was sent to Miss K on 13 December 2022. I understand that Miss K may not have received this when it was first sent, but it looks as if she did receive the resent copy, which was sent through recorded delivery. Miss K didn't ask us to look into things within six months of the date on that December 2022 letter. Whistletree's letter makes clear it will not agree to our service considering late complaints, and as Miss K was still in touch with Whistletree in the six months following the issue of that letter, I wouldn't be able to say that Miss K's complaint came to our service late because of exceptional circumstances.

The effect of this is that our service cannot consider Miss K's complaint about payments to Whistletree which were made before 13 December 2022. I'm sorry that this wasn't made clear to Miss K earlier. However, this has only a marginal impact on this complaint, as Miss K's payments continued to fail after this date. So I have considered the remaining missing payments here, from the end of December 2022 onwards.

Miss K has argued that Whistletree has noted down her postcode incorrectly, but I've seen its internal records, and I don't think that's the case. So when this case came to me, I asked both parties for some additional information. I knew that Whistletree said the problem could be with Miss K's address, so I wanted to see if there could be any other mistake there, but I also wanted to rule out any other problems that might have occurred.

So I asked Whistletree if the problem could be an issue with Miss K's security address. Miss K amended her correspondence address some time after taking out this mortgage, and I could see her correspondence address had a different, additional first line to the security address. I also asked if the problem started when Whistletree changed its payment system.

Whistletree has replied to our service, to say the problem Miss K is having predates its change to its payment system, so that couldn't be it. It said a card payment ought to clear as long as the correspondence address matches Miss K's card address. I note that Miss K's relative has been able to make payments, so it seems reasonable for Whistletree to say the address on the card doesn't need to match the security address. But Whistletree said it would change Miss K's security address if she agreed to that.

However, in the meantime, Miss K had told us that a payment made at the end of March 2023 had cleared.

I had requested further information from Miss K, saying that I would like to be able to rule out other problems with her card. I suggested her bank statements might help demonstrate what Miss K had told us, about having sufficient funds in the account, and not experiencing problems using her card elsewhere. Miss K has replied expressing her conviction that our service does not have any business seeing such documents, and saying that she strongly objects to what she considers to be an accusation of dishonesty. She has provided some evidence of her address, and of transfers from one account to another, at the time that payments to Whistletree are made.

I have sought to explain to Miss K that, while I understood her caution about sharing personal financial information, our service does sometimes have to ask for this so that we can see where a problem lies. And I said if she didn't want us to ask her bank for that, then we would respect her wishes. But without further information, I said I wasn't sure that our service would be able to resolve this for her.

Miss K wrote again, and then said that her card payment to Whistletree for 30 March 2024 had been accepted. She said nothing had changed on her end, and this only went to show that the problem must have been with Whistletree. Miss K said she had only one active account, before a second account was set up by her bank manager just so she could try that instead (and she'd tried that once without success). But Miss K didn't feel that she ought to have to provide evidence of these matters.

Miss K has clearly been inconvenienced by making payments through a relative for some time. I have sought to resolve this for her, without success, but in the meantime she has told us that at least one of her payments has been successful.

Although Miss K says that nothing has changed in the payments she is making, and the March payment then did clear, Whistletree also hadn't made any changes to how it processed Miss K's payments then. So this doesn't allow me to see that the problem has been with Whistletree.

I know Miss K feels strongly that she has proved Whistletree is at fault. However, I'm sorry to have to tell Miss K that, although I appreciate her strength of feeling on this matter, I don't agree that the issues here are clearly a problem with Whistletree.

I do think Whistletree should make a small payment of compensation here, but I think this is unfortunately likely to fall short of what Miss K anticipated, in terms of meeting the costs of repeated monthly travel to a relative's house, and the stress she said this had caused. I've reached that view for the following reasons.

Firstly, I cannot see, on the evidence I have to date, that the problems with payments to Whistletree, have clearly been caused by Whistletree. I also haven't been able to see that those problems were something Whistletree could have resolved, and hasn't.

Whistletree has shown our service the correspondence address it held on its internal systems for Miss K, and there was no mistake there, although Miss K said she was still unable to make her payments after this. It had not updated her security address at the time when Miss K told us her March payment did clear, so I cannot reasonably conclude that was an issue. It has also told us this problem predates its new payment system, and that, although it did have some initial problems with that system, they were never of the type that Miss K has experienced.

Secondly, Miss K has, unfortunately, not explored the alternative payment methods that Whistletree suggested to her. Miss K told us she didn't want to pay by direct debit, or by standing order, as she feared the payments would be taken early, when she didn't have funds in place. She said the automated payment system didn't work either. And she said that Whistletree doesn't have any branches where she can make a payment in person.

However, I can see that in its letter of 22 February 2023, Whistletree referred Miss K to its website, where it said it offered advice on alternative payment methods. I can see that the website suggests a number of payment methods. Those include direct debit or standing order, which Miss K has explained she prefers to avoid. They also include payment by bank transfer. And they also include payment in person in the borrower's own bank, and branches of two other named banks. I understand that Miss K has told us Whistletree doesn't have branches at all, never mind in her area, but I can see that the mortgaged address is close to a branch of her own bank, and a branch of one of the other two banks Whistletree named as willing to accept payments.

So, although Miss K has told us that this problem had incurred considerable costs for her, because she had to make sure that she was at her relative's house every month on the due date of payment, I haven't been able to see that this was necessary. I do think that there was an initial delay in communicating the possible reasons behind the failed payment, and in signposting Miss K to alternative payment means.

I've already explained I cannot take into account here the failed payments before 13 December 2022. But I think that when Miss K's payments at the end of December 2022 or the end of January 2023 failed, Whistletree could then have mentioned the full range of other payment options it has, on those calls. And I cannot see it did so. Because of that, I think Whistletree should pay Miss K £200 in compensation. But, once Whistletree did then signpost Miss K to alternative payment methods in February 2023, I think she did then have alternative ways to pay.

For these reasons, although I anticipate that Miss K may be disappointed by my decision, I don't think Whistletree has to pay more than that.

I invited the parties to make any final points, if they wanted, before issuing my final 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.

Before I respond to the comments from the parties, I should note that I'm aware I've summarised the events surrounding this complaint, and Miss K's arguments on these matters, in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure both sides that I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues.

Whistletree replied to disagree. It felt it had already set out for Miss K the alternative means of payment, before February 2023. Whistletree sent us a sample of correspondence, but I haven't been able to see in the correspondence that Miss K was clearly and prominently told about being able to pay in a high street bank, or referred to the website information which sets this out for her. One letter does say that Miss K can call to discuss other ways to pay, but Whistletree's own notes suggest Miss K was only ever offered a direct debit as an alternative payment method on her calls with it. So I haven't been able to see that these letters include the clear signposting to alternative payment methods that I thought Miss K was given in February 2023.

Whistletree also said Miss K had accepted a payment of £50 in February 2023, in full and final settlement of the complaint she made then. It appears Whistletree is suggesting that, as Miss K had accepted this sum, she ought not to receive any further award. However, the letter Whistletree sent in February 2023 didn't warn Miss K that this might be the case. And the payment Whistletree made appears, from that letter, to be unrelated to the difficulties Miss K was having with card payments. So I don't think the payment of £50 Whistletree made in February 2023 has any effect on this complaint.

Miss K replied in detail, commenting on my provisional decision and providing her own timeline of events.

Miss K said the final response letter sent to her in December, which was not received and subsequently resent, wasn't sent by registered post. My provisional decision said I thought this had been sent by recorded delivery, because Whistletree's notes suggested this. But even if it wasn't, Miss K doesn't appear to me to suggest that she didn't receive this letter when it was resent.

Miss K said our service had told her a final response couldn't be given when a problem was persisting. Unfortunately, that's not quite right. We aren't always prevented from looking at more recent instances of a problem, just because someone's received a final response letter before the problem recurs. But here, I've explained to Miss K that the rules of our service mean I can't include, as part of this complaint, what happened before that December letter was sent.

Miss K also said this letter was factually inaccurate, and was written by someone who had never spoken to her. But if there were concerns with the content of this letter, then the next

step was for Miss K to raise those with our service. And unfortunately, she didn't do so within six months of the date of the letter. I'm sorry to have to tell Miss K that, under the rules of our service. I'm still not permitted to consider her complaint about failed payments to Whistletree which were made before 13 December 2022.

Miss K then listed the subsequent failed payments, and said that in November 2023, she saw her bank manager, who provided her with a new card for her account, to confirm the problem wasn't with her. Miss K said if, as she said I was implying, there was no merit in her complaint because either she didn't have the money, or hadn't shown this problem was limited to payments to Whistletree, she wouldn't have been able to have a non-functioning bank card up until then. She said it was also proof that the same card was only refused by Whistletree for 19 months, and did then work in March 2024.

My provisional decision wasn't that there was no merit in Miss K's complaint for the reasons Miss K has suggested. My provisional decision was that from February 2023, Whistletree had signposted Miss K to an alternative means of payment.

The comments Miss K made on my provisional decision are relevant to this point. She stressed that she had an ongoing health condition, which Whistletree was well aware of. Miss K said her own bank had been involved since September and October 2022. And she said the payment staff at Whistletree were sympathetic and supportive, but back office staff simply didn't tackle the problem.

Miss K said it was Whistletree's own staff who suggested that the problem was due to Whistletree's new payment system, and told her the two things happened at the same time. She said what I'd noted Whistletree as saying to our service more recently about this was not accurate, because it was not what she'd been told by the payment team.

Miss K said she had no other problems with her card, and found what she'd inferred to be an allegation that she was a liar, very offensive. She felt she was being blamed for this problem, and our service had no interest in helping her. She felt my comments that our service might not have been able to help without further information, were threats, and that I was implying she didn't know how a bank account works. And she thought I had conflated her bank manager's attempts to help her in 2023, by issuing a new card, with the successful payment she made in early 2024.

Miss K said Whistletree hadn't suggested any other payment methods, other than direct debit which she didn't want to use. Miss K also told us she'd been very unwell, unable to leave the house and had to undergo gruelling medications with debilitating side effects. She specifically denied that Whistletree had ever said any other bank would take payments.

Miss K closed by objecting strongly to the tone I'd taken in my provisional decision.

I appreciate that Miss K has found this process very upsetting. I'd like to stress here that it's never my intention to cause upset. However, I do have to look at the facts of the case in full.

I appreciate that Miss K strongly objected to providing further proof of her banking. In the event, this was not needed to resolve this case, as Miss K was then able to make a successful payment, at the end of March 2024. So the decision in this case doesn't rest on whether Miss K had sufficient funds in her account, or whether she was able to use her card elsewhere. And, for the avoidance of doubt, I'm clear that Miss K told us she had tried a different bank card some months before she was finally able to make a successful payment.

I accept it's likely that Whistletree's own staff told Miss K the problem was likely to be related to its new payment system, but Whistletree has told our service that isn't the case. It said

that its new payment system was introduced after Miss K started to have problems. And it has shown our service the internal email it circulated, detailing the problem it experienced with the new system, with some customers who had sufficient funds but their payments failed. The error messages that Whistletree said were linked to the new payment system simply aren't the same as those linked to Miss K's payment problems. So, although I do think it was likely that Miss K was told that her payment problems were linked to a new payment system, I am satisfied that, on balance, these things are not likely to be linked.

My provisional decision also set out that Whistletree's letter of 22 February 2023 signposted her to the other payment methods listed on its website. That letter said *"You may benefit from visiting our website, [www.whistletree.co.uk](http://www.whistletree.co.uk), to view the alternative payment methods available to you."* So I do think Miss K was signposted to other payment methods then. Those payment methods included payment in person in the borrower's own bank, and branches of two other named banks.

Miss K has argued that this was unsuitable for her anyway, as she was severely unwell, and unable to leave her home. But on a call with our service, she told us she was having to make sure she was at her relative's house to make the payment each month, and she explained the costs she incurred through this regular travel from her home to her relative's home, which is some distance away. So I'm not able to resolve this case now on the basis that Miss K was unable to visit a branch, as she was housebound due to illness at the time when she was attempting to make her mortgage payments.

I appreciate that Miss K has very strong feelings about this issue, and that she's unlikely to agree with me, but for the reasons set out above, I haven't changed my mind. I'll now make the decision I originally proposed.

### **My final decision**

My final decision is that TSB Bank plc trading as Whistletree must pay Miss K £200 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 8 July 2024.

Esther Absalom-Gough  
**Ombudsman**