

## **The complaint**

Mr G complains about an overdraft account he took out with TSB Bank plc.

## **What happened**

Mr G complains that TSB applied interest and charges to his overdraft account after he let it know he was in financial difficulty. TSB provided Mr G with a refund of all interest and charges that had been applied to his account. He says that after this, TSB withdrew his overdraft facility, and let him know that the refund of interest and charges might not be enough to cover the amount still owing which would leave him in an unarranged overdraft which would incur interest and charges.

Mr G adds that the letter sent to him didn't say how much the refund of interest and charges would be and it didn't say whether or not Mr G would have the option of paying down the overdraft over time, instead of leaving it in an unarranged position.

Mr G says this all came as a shock to him and that it has affected him mentally, physically and financially. He doesn't think it fair that TSB removed the overdraft facility with less than a months notice. And to put things right, Mr G would like TSB to agree to a repayment plan of the overdraft and he would like compensation for the difficulty the situation has caused him.

An Investigator considered what both parties had said and overall, they felt that Mr G's complaint should be upheld. They explained that TSB should stop charging interest on the remaining balance on Mr G's account, it should remove any negative information it has reported to the credit reference agencies and pay Mr G £100 for some of the conflicting information he received.

TSB responded and said that it hadn't reported negative information to the credit reference agencies. It said that it wasn't charging Mr G interest on the balance of the account. It also said it didn't think there was any basis for paying Mr G the £100.

Following the view, Mr G responded to say that he kept receiving calls from TSB to make a payment to his account. When he spoke to someone at TSB about it, he says he was told that TSB could offer him a payment plan, however it would still report information to the credit reference agencies, which Mr G felt would have a negative impact on his situation. Because of this, he borrowed the money to repay the remainder of the amount outstanding, which has caused him more financial difficulties. Mr G didn't think the £100 was enough to reflect the distress the situation had caused him.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

I issued a provisional decision on this case. It was my intention to come to a different outcome to the Investigator and so I wanted to give both parties the chance to respond with anything else they wanted me to consider before I came to my final decision on the matter.

I have copied my provisional findings below, which also form part of this final decision.

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

*Having considered all of the information available to me, I don't intend to uphold Mr G's complaint. I appreciate this decision will come as a disappointment to him, however I will explain my reasons for this below.*

*I note that TSB has agreed to refund all of the interest and charges that had been applied to Mr G's account. This means that Mr G hasn't ever paid for the use of the overdraft. Because of this, I haven't gone on to consider whether TSB acted unfairly in the interest and charges it applied, or how it supported Mr G when he got into financial difficulties, because it has already done enough to put this part of Mr G's complaint right.*

*On 27 November 2023, TSB said it would remove Mr G's overdraft facility. The terms and conditions of Mr G's account allow it to do this when providing 30 days' notice, which I can see happened as it was removed on 27 December 2023. So I'm satisfied Mr G was provided with enough notice of the removal of the overdraft. Overdraft facilities are repayable on demand, and so I can't fairly conclude that it was wrong or unfair of TSB to have let Mr G know its intention to remove the facility.*

*I note that Mr G has raised concerns that he wasn't told how much would be left over to pay once TSB refunded the interest and charges. I don't think TSB would have been in a position to do this until it had carried out the amendments to his account. This happened on 5 January 2024. And I can see TSB sent Mr G a letter on 6 January 2024 and 13 January 2024 which let him know how much he owed. So I'm satisfied TSB did let Mr G know how much he owed shortly after it made the amendments.*

*Mr G has said that he was caused upset and distress by the letters TSB sent to him. He says these implied that if he didn't repay the balance of the unarranged overdraft then it would report negative information to the credit reference agencies and it would charge him interest. I'll start by saying that TSB has provided evidence to show that it hasn't reported negative information to the credit reference agencies. Nor has it charged him interest. So he hasn't lost out here.*

*I can understand why Mr G might have been worried to have received the letter stating his credit file could be impacted and he could be charged interest. However, I'm not currently persuaded that TSB needs to pay Mr G anything in distress and inconvenience for this. I say this because Mr G's credit file would likely have been impacted had he not paid the account. And it's possible it might have charged him interest if he didn't contact it to arrange a way to repay the balance. I don't find it unreasonable that TSB wrote to him to let him know that these things were a possibility.*

*I appreciate that Mr G felt pressured into paying the balance in full to avoid impact to his credit file. However, TSB is required to report accurate information to the credit reference agencies. If Mr G made an arrangement to repay the balance or didn't pay it, then it is likely that his credit file would have been impacted. Based on Mr G's submissions to this service, it seems he was trying to avoid this type of information being recorded about him, and so paying the balance in full, as he did, would likely have been the only way to avoid this.*

*I note Mr G has referred to a call he had with someone at TSB about repayment options, which ultimately led to him repaying the balance in full. I have asked TSB for a copy of this call; but it can't find any record of the call taking place. That being said, based on what Mr G has said about the call, in that he was told a repayment plan would be recorded on his credit file, it doesn't seem to me that the information was unfair or misleading. If Mr G feels this call*

*is important to the outcome of his complaint, then I require him to respond to the provisional decision with the date the call happened and the number he made the call from/the call was made to, and I can see if this information helps TSB locate the call.*

*I appreciate this provisional decision will come as a disappointment to Mr G. However, I can't uphold his complaint or ask TSB to pay him compensation as I don't think it has done anything wrong. That's because, it has refunded all interest and charges associated with the account, it hasn't reported negative information to the credit reference agencies, it gave him the option to set up a repayment plan for the outstanding balance and I don't find the letters it sent to him to be unfair."*

Mr G didn't respond to the provisional decision by the deadline.

TSB responded to say that it didn't have anything further to add.

### **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.

Given that neither party has provided any additional information for me to consider, I see no reason to depart from the findings made in my provisional decision. It follows that it is my decision not to uphold Mr G's complaint.

### **My final decision**

For the reasons set out above, I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 16 December 2024.

Sophie Wilkinson  
**Ombudsman**