

## **The complaint**

Mr M is unhappy with the service he received from TSB Bank plc surrounding a personal loan he successfully applied for.

## **What happened**

Mr M called TSB as he was thinking about obtaining a personal loan. TSB explained to Mr M that he would need to apply for a loan via their website, which Mr M then did.

However, Mr M later complained to TSB because he felt that he hadn't really understood the terms of the loan that he had received which he now felt included an interest rate that was too high and consequently monthly repayments that were too much. Mr M also wasn't happy that TSB had told him to apply for the loan himself online rather than advising him on the matter. So, he raised a complaint.

TSB responded to Mr M but didn't feel that they'd done anything wrong in directing Mr M to apply for the loan online or in how they had administered Mr M's subsequent loan application. Mr M didn't accept TSB's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel TSB had acted unfairly by providing the loan to Mr M in the manner they had or in how they considered Mr M to be bound by the terms of his loan. Mr M didn't agree, and so the matter was escalated to an ombudsman for a 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.

Mr M is unhappy that when he called TSB to discuss the possibility of him obtaining a personal loan, that he was directed to TSB's website to apply for a loan there. And he's unhappy that TSB didn't more proactively advise him on the loan that he later applied for.

However, it's my understanding that TSB don't offer an advised service in the manner that Mr M has suggested here. Instead, the service that TSB offer is limited to providing a customer with information about the loans that TSB offer, so that the customer is able to make an informed choice themselves as to whether they want to apply for a loan with TSB.

I've reviewed the information that was presented to Mr M about the loan when he applied for it online. This includes the loan explanation sheet, the pre-contract loan information, and the loan agreement itself. And, having done so, I'm satisfied that these documents, all of which were presented to Mr M before he formally accepted the loan, all included information about the capital amount Mr M was borrowing, the interest rate that would apply to the loan, the number of monthly payments Mr M would need to make to repay the loan, the amount of each monthly payment, and the total amount Mr M would repay over the lifetime of the loan.

Accordingly, I'm satisfied that TSB did provide Mr M with detailed and accurate information

about the loan, so that Mr M was able to make an informed decision as to whether he wanted to apply for the loan. And while I note Mr M's statement that he didn't understand the terms of the loan that he applied for, if that was the case then I would reasonably have expected Mr M to have not formally applied for the loan until he understood the loan that he was contractually committing to.

Mr M may argue that there was no one from TSB that he could speak with when applying for the loan online. But Mr M didn't need to complete an application for the loan at that time. Instead, he could have delayed applying for the loan and contacted TSB again with whatever questions about the loan he may have had. And, if Mr M didn't do this, but did formally apply for a loan that he didn't understand, then I wouldn't consider that to be TSB's fault or be anything that I would consider holding TSB accountable for.

Finally, if Mr M wasn't happy with the terms of the loan, then he had a 14-day cooling off period during which time he could return the capital balance borrowed and exit the loan agreement without penalty. But again, Mr M didn't do this. And by borrowing the money, and not utilising the 14-day cooling off period that was available to him, I feel that it's fair for TSB to consider Mr M to be bound by the contractual terms of that loan.

All of which means that I won't be upholding this complaint or instructing TSB to take any form of action here. This is because I don't feel that TSB have acted unfairly as Mr M contends. Instead, I'm satisfied that TSB did provide clear information about the loan to Mr M before he formally entered into the loan agreement with them, and that therefore Mr M was, or reasonably should have been, in an informed position when he applied for the loan, such that it is fair for TSB to consider him accountable to the loan terms.

I realise that this won't be the outcome that Mr M was wanting. But I trust that he'll understand, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 May 2025.

Paul Cooper  
**Ombudsman**