

The complaint

Mr H complains that TSB Bank plc (TSB) allowed his account to become overdrawn.

What happened

In December 2024, Mr H was frequently using his TSB bank account for on-line gambling transactions with Company A.

Mr H thought he could only go ahead with these transactions if his account was in credit, so he was shocked to discover TSB had allowed them to go through when he didn't have the necessary funds in his account. This caused:

- His account to have a negative balance
- Him to have an unarranged overdraft

Mr H thought there must've been a banking error, so he complained to TSB.

TSB didn't uphold his complaint. They said:

- *'It is not uncommon that gambling houses and betting companies will not validate whether or not you have the physical funds to complete transactions. They often simply validate that the card details you are using are for an active card.'*
- *'It is also your responsibility to ensure that you are only spending funds that you have'*

Mr H brought his complaint to our service, but our investigator didn't think TSB had done anything wrong.

As Mr H remains dissatisfied his complaint has been referred to me to look at.

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.

Having done so, although I'm very sorry to hear of Mr H's frustration and distress here, I'm not upholding this complaint. And I'll explain why.

I should first point out that:

- Mr H doesn't dispute he made the transactions with Company A
- Not all companies do validate available funds
- In the TSB account terms and conditions, that Mr H agreed, to TSB clarify that:
 - *'The available balance in your account is any money in your account minus any card payments where the money hasn't yet been taken from your account'*

What happened here is Company A didn't pre-authorise the gambling payments which Mr H agreed to despite not having the funds. Company A then presented these payments to TSB, and they found themselves in a position where Mr H didn't have the available funds and they had no choice but to honour the payments he had committed to.

Customers do have a responsibility to monitor accounts and only spend funds they have. And they would be expected to either a) ensure sufficient funds were in place b) quickly top up their account or c) set up and / or use an overdraft already in place.

Unfortunately, in this case Mr H appears not to have had the funds to credit his account, and he didn't have an overdraft. So, TSB did what they say in their account terms and conditions, which is an unarranged overdraft in circumstances where:

- *'you try to pay for something when there's not enough money in your account'*

I appreciate Mr H didn't think he could place a bet with Company A without them checking he had available funds. But I'm satisfied that isn't the case here and that TSB didn't make an error.

So, having considered the above and all the information on file, I'm not upholding this complaint against TSB Bank plc.

My final decision

My final decision is that I'm not upholding this complaint against TSB Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 July 2025.

Paul Douglas
Ombudsman