

The complaint

Mr H complains about the service he received from TSB Bank plc ("TSB") on the maturity of his bond. In particular, Mr H is unhappy about inaccuracies in TSB's administration and the delays in re-investing the funds from his bond.

What happened

Mr H held two bonds with TSB:

1. Bond number ending **5191** opened on 16 November 2022 with a maturity date of 15 November 2023 following which £20,000 was reinvested for a further year maturing on 15 November 2024; and
2. Bond number ending **2347** opened on 9 November 2023 with a maturity date of 8 November 2024 and holding zero funds.

TSB wrote to Mr H on 9 October 2023 notifying him that bond number 5191 was due to mature on 15 November 2023 and enclosed maturity instruction forms for completion and return. Mr H instructed TSB to reinvest the funds for a further 12 months but £4,000 was to be removed from the account on maturity.

Before bond number 5191 matured Mr H opened another (bond number 2347) on 9 November 2023 but didn't credit it with any funds.

As per Mr H's instructions on 16 November 2023 the interest earned on bond number 5191 was paid and transferred to Mr H's account and £4,000 was withdrawn by banker's draft on 25 November 2023 with the remaining funds being reinvested for a further year with TSB confirming the same in writing on 30 November 2023.

TSB wrote to Mr H on 2 October 2024 notifying him that bond number 2347 was due to mature on 8 November 2024 and enclosed pre-populated - with bond number 2347's details - maturity instruction forms for completion and return.

Mr H has handwritten on this letter that the maturity date was wrong and should be "15" and has written the account number for bond 5191 above that of the bond number 2347 listed on the letter and that he'd posted the maturity forms to TSB on 12 October 2024.

Following receipt on these on 16 October TSB closed bond number 2347 as per the maturity instructions received but as there was a nil balance there was nothing to transfer and credit Mr H's account with.

On 9 October 2024 TSB sent Mr H the same template letter notifying him that bond number 5191 was due to mature on 15 November 2024 and requesting Mr H's instructions for this. But as TSB didn't receive instructions for this bond the interest earned on maturity (£1,146.02) was paid out to Mr H's nominated account on 18 November and the remaining funds of £20,000 were held in a matured funds account.

Following not receiving the funds from bond number 5191 as expected Mrs H contacted TSB on 18 November on Mr H's behalf to find out where the funds were. Mrs H complained that they had received letters showing a £0 balance for their bond which should contain £20,000 and that although the interest earned had been paid to Mr H's nominated account that the balance hadn't.

TSB's advisor wrongly assumed that the transfer of Mr H's balance of £20,000 from bond number 5191 had been delayed due to processing delays TSB was experiencing at the time and arranged to transfer the funds and credited Mr H's account on 20 November with the proceeds totalling £20,002.91 (including closing interest of £2.91) confirming the same by text message. TSB's advisor apologised for the delay and compensated Mr H £25 for this which Mrs H accepted on Mr H's behalf.

Following this Mr H brought his complaint to this service.

One of our investigators looked into Mr H's concerns but didn't think TSB had made any errors as the maturity letter Mr H had used to issue instructions for bond number 5191 was meant for bond number 2347 and as such TSB had correctly followed Mr H's instructions and so didn't think TSB needed to do anything more.

Mr H disagreed, he disputes he had another bond number and has asked for an ombudsman's 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.

I hope that Mr H won't take it as a discourtesy that I've described and condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint of which I've provided a detailed background above of which I believe to be an accurate account of what happened leading up to this.

It might help if I explain here my role is to look at the problems Mr H has experienced and see if TSB has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr H back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And having considered everything carefully – and I know this will come as a disappointment – I'm in agreement with our investigator and I don't think there is anything much more of use I can add.

The cause of this dispute appears to be the opening of bond 2347. My understanding is that Mr H doesn't recall opening this and thought the only bond he had was 5191. But bond 2347 was opened on 9 November 2023 and as it was opened just before bond 5191 first matured it is possible that the intention was to fund bond 2347 with the proceeds of 5191 or alternatively, it was opened in error when issuing maturity instructions. But whatever the case bond 2347 was never funded and it appears forgotten about.

So when this bond matured and TSB wrote to Mr H about this on the 2 October 2024, I can understand his confusion when neither the account number or maturity date matched the bond that Mr H understood he had. But despite this Mr H duly completed the enclosed maturity instruction forms regarding what he wanted to happen on maturity and this is where it seems it all went wrong. I say this as the forms Mr H completed had bond number 2347

pre-populated on them, so although Mr H believed he was giving instructions and completing a form for 5191, this wasn't the case.

TSB's internal records show it received this form back and duly recorded Mr H's maturity instructions but as there were no funds to transfer the bond 2347 was closed down.

And because Mr H was under the mistaken belief he'd issued maturity instructions for 5191 on maturity the funds held in this account were transferred to a matured funds account as per TSB's terms and conditions as it hadn't received any instructions.

So it follows because I don't think TSB have made a mistake or done anything wrong, I don't uphold this complaint. I hope that this clears up some of the confusion regarding what happened for Mr H, even if this isn't the outcome he was hoping for.

My final decision

For the reasons I've explained I've decided not to uphold Mr H's 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 12 August 2025.

Caroline Davies
Ombudsman