

The complaint

Ms B complained about the way TSB Bank plc ('TSB') handled her account switch.

What happened

Ms B held an overdrawn account with a bank I'll call 'N' and she wanted to switch to TSB. The switch took longer than Ms B was expecting and she was also unhappy that the overdraft didn't automatically transfer from N to TSB. She spent a lot of time dealing with both N and TSB trying to resolve things and she blames TSB for causing her financial and emotional distress, due to errors and poor communication. She said she'd missed an overdraft repayment due to what happened and this had impacted negatively on her credit file..

In its final response, TSB said it wasn't responsible for any bank error.

One of our investigators looked into what happened. The investigator didn't uphold Ms B's complaint. She thought that TSB had explained why Ms B had needed to submit three switch requests and once she'd provided the necessary information it had actioned the switch efficiently. She didn't feel that TSB was responsible for the issues to do with Ms B's credit file. So she said she wouldn't be asking TSB to do anything further.

Ms B disagreed, mainly saying:

- she hadn't received all the messages TSB said it sent her and
- because the overdraft was not ported as part of the switch, the debt remained with N leading to a missed payment, credit file damage, and manual repayment attempts that were repeatedly declined due to TSB's fraud systems.

The complaint came to me to decide and I issued a provisional decision.

What I said in my provisional decision

I've carried out an independent review and having done so, I've reached the same conclusion as our investigator. I'll explain my reasons.

My role is to consider the evidence presented by Ms B and TSB, and reach an independent, fair and reasonable decision. My findings are made on a balance of probabilities, in other words, what is more likely than not, based on the evidence provided by the parties. In simple terms, to uphold this complaint there would have to be persuasive evidence that made it more likely than not that TSB had done something wrong or acted unfairly or unreasonably. So that's the focus of my decision.

Based on what both parties have told me, I've compiled a brief timeline which sets out the background to this complaint.

16 July 2024 - Ms B applied online to open a TSB account. Her application was approved the same day – and also her application for an overdraft limit of £2,000 on the account.

18 July 2024 - TSB conducted a secondary review of the account and the application for the £2,000 overdraft. TSB asked Ms B to provide identification documents and blocked the account pending sight of this information.

24 July 2024 - TSB received a request to switch Ms B's account from N to her new TSB account. She mis-typed some information relating to N. TSB sent her a message the same day advising that she'd input invalid details and that she would need to submit a new switch application.

25 July 2024 - TSB received a new switch request with N's correct account details, but the block on Ms B's account was still in place. TSB sent Ms B a further text message to let her know her switch had not been actioned due to the block on her account and that she would need to submit a new switch request after the block was removed.

29 July 2024 – TSB received requested identification documents from Ms B and so removed the block from her account.

5 August 2024 - Ms B contacted TSB to obtain an update about her switch. TSB had no record that she'd actioned a new switch request as advised in the text message it had sent on 25 July. TSB raised a new switch request for her. Ms B complained about the delay and felt that she shouldn't have needed to submit a third switch request.

13 August 2024 – the account switch from N to TSB completed.

14 August 2024 – Ms B noticed the overdraft had not transferred from N to her new TSB account.

16 August 2024 – Ms B complained that the balance transfer wasn't set up on the switch.

18 August 2024 – TSB's records show some activity around whether the account was blocked again.

19 August 2024 – TSB issued its response letter to Ms B saying that it hadn't made any error when handling her switch requests.

21 August 2024 – TSB's notes indicate a card block was re-applied by the fraud team when Ms B had attempted manually to pay the N overdraft using her TSB debit card. TSB sent a text message to Ms B asking her to call and complete further checks. The block was removed later that day.

Did TSB act fairly and reasonably when it blocked Ms B's account on 18 July 2024?

Yes. TSB has procedures it must follow to comply with its legal and regulatory obligations which are in place to help keep customers money safe and prevent fraudulent activity on their accounts. TSB was entitled to review and block Ms B's account until she had provided necessary proof of identification. I am satisfied that TSB unblocked her account promptly on 29 July when it received the requested identification documents.

Did TSB handle Ms B's switch in a fair and reasonable way?

Yes. Ms B says she didn't receive a message from TSB on 24 July telling her that there was a block placed on her account – only a message telling her there was an invalid account number on the switch application and she needed to resubmit a new form – which she did. She said she never received any SMS message sent on 25 July – and had she done so, she

would have immediately contacted TSB, as she did on all other occasions when notified of an issue. She's sent me information in support of what she says.

On the other hand, TSB has provided details from its account notes that support what it has said about SMS messages sent to Ms B as detailed in the outline above. It cannot provide copies as it keeps these on record for three months only.

TSB said it messaged Ms B on the phone number she'd provided for the account – and I think that's likely, because some messages got through. But the screenshots Ms B has sent me don't show TSB's first message sent on 24 July (telling her the switch-in request had been received but there was a block on her account). And there's a gap in the message thread after TSB's second message that day (seen by Ms B, telling her about the invalid account details she'd entered) until the next message from TSB she received on 5 August.

I've no good reason to doubt what either party has told me. I've concluded that TSB did likely send the messages as described above – but that these weren't all received by Ms B for some reason that was beyond TSB's control. I can't fairly hold TSB responsible for this. And I've kept in mind that the account Ms B wanted to switch into was blocked until 29 July in any event – so it wasn't possible for the switch to have completed before then.

The issues with Ms B's missed overdraft payment and her credit file

TSB texted Ms B on 25 July as follows:

'TSB Switchers Team here, unfortunately we have been unable to action your recent Switch request as there is a Block on your Account. Can you please contact (phone number provided) to discuss the matter further. Thank you'

Although Ms B doesn't have a record of this text, she told us she did receive a letter from TSB regarding a fraud alert on the account and that she followed instructions to resolve the issue, '*...assuming the switch would proceed as planned.*'

After Ms B provided the necessary proof of ID, this enabled the block on her account to be removed on 29 July and meant she was now in a position to apply to switch her account to TSB. But I think the main reason things went wrong for her here is that she incorrectly assumed that her previously cancelled switch applications would be reinstated and processed by TSB. Ms B needed to submit a further switch application each time a switch application failed – and I think that would have been a more reasonable assumption to make. I say this because TSB's messages didn't suggest it would re-attempt the failed switch. And TSB had previously flagged up the need for her to do this on 24 July – I've seen that Ms B did receive that text and so she was aware that a new application was needed after a failed application. I think it's fair to say that Ms B could and should have realised that the onus was on her to reapply if she still wanted to go ahead with the switch.

TSB required a fresh switch application to start the switch process after removing the block on her account when Ms B provided proof of ID on 29 July. That didn't happen until Ms B contacted TSB on 5 August when a switch application was generated and actioned during a phone call. Unfortunately, by the time this happened, Ms B had missed the critical end-July deadline for paying her overdraft.

In these circumstances, I don't consider it's fair to hold TSB responsible for this.

Did TSB act fairly and reasonably when it blocked Ms B's account on 21 August 2024?

Yes. Banks have an obligation to take steps to keep customers' accounts safe and prevent fraudulent transactions. Sometimes this can mean the bank identifies and blocks legitimate payments that a customer wants to make. Understandably, this can cause distress and inconvenience to a customer – but it doesn't necessarily mean the bank has acted incorrectly or unfairly. Checks undertaken as part of TSB's security process are designed in the interests of TSB's customers to help keep their money safe and prevent fraudulent activity on their accounts. TSB's terms and conditions, which Ms B agreed to when she applied for the account, allow it to do this.

When Ms B made contact, TSB removed the block promptly when it was satisfied it was appropriate to do so and Ms B's payment wasn't unduly delayed. It follows I'm satisfied that TSB didn't act unfairly when it blocked Ms B's account on this occasion.

To sum up:

- Account opening and switching account are separate processes. Ms B was only able to switch her account from N after TSB had completed all necessary security checks it was required to do as part of the new account opening process. This didn't happen until 29 July.
- TSB provided prompt notification to Ms B that the account details she had provided when she first applied to switch her account from N were invalid. On 25 July it received a new switch request with N's correct account details, but as the block on Ms B's account was in place until 29 July, no switch could have been actioned prior to this.
- TSB's switch process included information about the switch guarantee and Ms B would have seen that switching accounts takes seven days. So even if TSB had actioned the switch on 25 July (potentially the earliest time that TSB could have actioned the switch request with N's correct account details) or on 29 July (which Ms B assumed was what would happen when TSB received her proof of identification and unblocked her account), it wouldn't be reasonable to expect that her overdraft held with N could have switched to TSB by 31 July. There simply wasn't enough time for this to have happened with only four or two working days respectively until 31 July. So Ms B would always have needed to make other arrangements with N in respect of her overdraft as TSB couldn't reasonably have completed the switch before end-July in any event.
- It was reasonable for TSB to have cancelled Ms B's switch requests prior to 5 August when it wasn't in a position to progress these as it hadn't been provided with all the necessary information required and proof of ID.
- Ms B mentioned contacting TSB via its chat function in early August after hearing nothing for seven days and said she was given inaccurate information about the progress of her switch application and told to manually pay her overdraft. TSB's switching offer terms (which she would have seen when completing the application) explain that it can, subject to prior agreement with TSB, '*...provide facilities to pay off any existing overdraft you may have*'. But it doesn't provide for the overdraft to automatically transfer to the new account. Ms B needed to use her approved overdraft facility to pay N and so move her overdraft over to TSB herself. I think this could have been clearer - for example, TSB explicitly says '*...Recurring card payments are not moved as part of the Current Account Switch Service.*' But this doesn't affect my overall view. It wasn't until the phone call on 5 August that Ms B confirmed to TSB that she wanted to submit a further switch request, by which time she had already missed the end-July deadline for using

her TSB overdraft facility to repay the overdraft with N.

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- After the first two applications were cancelled, TSB actioned Ms B's third switch application on 5 August. With everything now in place for this to go ahead, the switch completed on 13 August – seven working days later in line with the switch guaranteed timeframe. But by this time, Ms B had already missed the end-July deadline for paying her N overdraft and I've set out above why I don't consider TSB was to blame for this happening.
- I'm sorry if what happened had a negative impact on Ms B's credit file, but I don't find that TSB was responsible for this. TSB reported no adverse information to credit reference agencies and it wasn't to blame if Ms B didn't have an agreed arrangement in place with N in respect of her overdraft prior to the switch completing.

I appreciate that Ms B found this whole process very frustrating. But for all these reasons, I can't uphold this complaint and so I can't award the compensation that Ms B would like me to.

What the parties said in response to my provisional decision

Ms B sent me additional information in support of her complaint and she still feels strongly that TSB should be held accountable for what went wrong here and that her compensation request is proportionate and fully justified.

TSB confirmed it had no further comments.

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've taken carefully into account everything that Ms B has sent me in response to my provisional decision and her further comments. I appreciate that she takes a different view to me and I accept that some of the exchanges she had with TSB could have been clearer. But ultimately, this doesn't change my overall view. Her main underlying complaint is essentially about the impact on her of missing an overdraft repayment due to the account not switching in time. I've explained in my provisional decision why I don't consider TSB can fairly be held responsible for this. I still think there was no realistic likelihood that the account could've switched in time to avoid the need for Ms B to have to make other arrangements in respect of her overdraft payment due by 31 July 2024. And it wouldn't be fair to hold TSB responsible for Ms B not having done this. So the conclusion I reached in my provisional decision is unchanged.

My final decision

My final decision is that I don't uphold this complaint for all the reasons set out more fully in my provisional decision.

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

Susan Webb
Ombudsman