

The complaint

Mr S complains that TSB Bank plc (“TSB”) is treating him unfairly by continuing to send letters chasing a debt that’s been resolved.

What happened

Following a period of mental health issues, a death in the family and struggling financially, Mr S entered into a trust deed to repay his creditors. Included in this was a loan Mr S had with TSB. Mr S was discharged from the trust deed in February 2024.

Despite being discharged, Mr S continued to receive letters from TSB chasing him for payment or reminding him that arrears on his loan were accruing. Mr S complained to TSB, and they responded in June 2024.

TSB said they can confirm his information has been updated accurately on their systems, showing Mr S no longer owes them anything, but that for reasons they can’t establish, they sent him letters with the outstanding balances in June 2024. They offered him £125 in compensation to apologise for the upset caused.

After the final response letter was sent, Mr S continued to receive more letters and so in November 2024 he referred his complaint to our Service.

An Investigator here looked into things. They tried to discuss a workaround with TSB for example, by redirecting Mr S’ mail to branch, or by removing his postal address, but TSB insisted it was an IT issue they were facing, and they had no information about when this would be resolved, but they were unable to redirect mail.

The Investigator ultimately empathised with Mr S but said they felt £125 was fair and they couldn’t share any further information on when the issue was likely to be resolved. Mr S didn’t agree with the opinion. He said he doesn’t believe the prospect of being chased for a debt he no longer owes for the foreseeable future a fair outcome and doesn’t believe it’s fair treatment of an individual.

I previously issued a provisional decision which said the following:

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

Mr S has been very open and honest about the impact this has had on him, which is severe, and while I’m not going to repeat what he’s said in the decision to protect his anonymity, I’ve shared his statement with TSB, and I’ve taken it into account when reaching my outcome. I’ll start by acknowledging the difficult time Mr S has faced, and I’m sorry to hear what he’s been through. I’m pleased things are better for him more recently, but I can understand why this issue with TSB has impacted him in such a negative way.

TSB have been quick to remark that this ‘glitch’ has affected many customers, and their advice is to disregard the letters. But Mr S has been clear on why that’s not possible for him.

I think it's important for TSB to remember that what might not affect one customer, may significantly impact another, as is the case here for Mr S.

He feels harassed and bullied and has found the process of trying to prevent the letters 'soul-destroying' after having gone through so much when implementing the trust deed in the first place, just to be told it's a glitch without an end in sight.

Having considered everything, I'm inclined to agree with Mr S that it's not acceptable TSB can't do anything about it. I asked TSB if there were any workarounds, only to be told there's nothing they could do.

Most recently TSB have let me know that they've amended the letters that may be sent in the future telling their customers to disregard the letter and they believe this glitch will be fixed by the end of the first quarter of next year.

I understand TSB is looking at what they can do to rectify this moving forward although as it stands, it's entirely possible that further inconvenience might be caused to Mr S. I'm only considering TSB's failings to date, and the distress and inconvenience that has flowed from that.

Having considered the impact on Mr S so far, and TSB's inability to find a workaround to prevent Mr S from further distress while the issue is ongoing, I'm minded to increase the compensation.

TSB have already offered £125, but I'm thinking compensation closer to £300 is warranted in this instance, for Mr S' specific circumstances. So, I'm thinking of asking TSB to increase the £125 already offered by a further payment of £175.

I'm well aware that this doesn't resolve things for Mr S, but I think it's more reflective of the upset caused to him so far. I hope that TSB are able to put an end to the glitch in the timeframe set and although it doesn't help Mr S' anxieties around receiving the letters, he can be reassured that they should be disregarded and aren't genuine chasers for payment.

Putting things right

TSB should pay Mr S an additional compensation payment of £175 to reflect the level of distress and inconvenience caused to Mr S considering his personal circumstances."

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 S didn't respond to the provisional decision, but TSB did.

I won't go into their response in detail, but in summary, they've made it clear they're not persuaded that Mr S has been impacted in the way he's described.

As the Ombudsman considering the complaint, my role is to weigh up the evidence available. Part of that evidence is Mr S' testimony, which I've shared with TSB. Having thought carefully about what he's said and TSB's thoughts on that, I find Mr S's testimony to be both plausible and persuasive.

With that in mind, no further evidence has been provided that's led me to change my mind from my provisional decision, so what I've said above still stands.

Putting things right

TSB should pay Mr S an additional compensation payment of £175 to reflect the level of distress and inconvenience caused to Mr S considering his personal circumstances.

My final decision

I'm upholding this complaint against TSB Bank plc and they should pay Mr S additional compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 December 2025.

Meg Raymond
Ombudsman