

The complaint

Mrs B complains that TSB Bank plc ('TSB') unfairly refused her applications for a personal loan of £20,000.

Mrs B wants TSB to pay her significant compensation.

What happened

Mrs B complained to TSB that they'd refused her applications for a personal loan on several occasions between October 2022 and March 2024 despite her providing information to TSB and speaking with TSB's advisers. Mrs B said this had cost her money because she'd been unable to pay off a credit card with a third party, who were charging around £500 of interest each month. Mrs B also complained that every time she applied for a loan with TSB the interest rates jumped higher.

TSB didn't uphold Mrs B's complaint, saying Mrs B hadn't met their lending criteria and they were unable to change their decision regarding the loan.

Mrs B referred her complaint to the Financial Ombudsman Service saying the loan would consolidate credit card debts which commanded higher monthly payments than the loan would require. Mrs B felt this showed the loan was affordable, and didn't think TSB were acting in her best interests or supporting her appropriately.

Our investigator didn't find TSB had acted unfairly when assessing Mrs B's loan applications, and said they'd acted in line with good industry practice by giving Mrs B the main reason for declining her applications.

Mrs B sought an ombudsman's decision. She said TSB were still sending her promotional material for their loans and she referred again to an article she had shared from mainstream news, in which TSB had referred to ways they could support their customers.

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 into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I am sorry to disappoint Mrs B but having investigated this matter I haven't found cause to uphold her complaint. I don't think TSB have treated her unfairly in these circumstances. I'll explain why.

I think it would be helpful to explain the role of the Financial Ombudsman Service is to resolve individual complaints based on what is fair and reasonable in the circumstances of each case. So it is not for this service to interfere with a firm's processes, systems or

controls nor to fine or punish a business. Those are considerations for the Financial Conduct Authority ('FCA'), as the regulator.

I acknowledge Mrs B's strength of feeling that she can demonstrate affordability for the loan because she pays more towards her credit cards than she would towards this loan. Mrs B has referred to a news article in which TSB said they could support customers. I know Mrs B feels very let down.

I've thought carefully about TSB's obligations towards Mrs B in these circumstances.

TSB are under an obligation to lend responsibly, and I'm satisfied TSB can demonstrate they've fairly applied their lending criteria to Mrs B's applications.

Mrs B's recently said she doesn't feel it's responsible for TSB to send her their marketing emails with various rates of interest she might be 'preselected' for. This builds on the point she made to TSB in her complaint, that the available interest rate for TSB's loans seems to jump around.

I don't think it's unreasonable for TSB to send promotional or marketing material to their customers – and Mrs B can likely opt out of these. I think it's clear all applications will be subject to TSB's checks and lending criteria and that this will dictate the terms of any lending depending on TSB's appetite for risk.

I wouldn't expect TSB to divulge full details of their lending criteria to Mrs B or this service given this is commercially sensitive information. However, I'd expect TSB to follow good industry practice and give Mrs B the headline reason for refusing the loans.

In line with this expectation, I can see TSB discussed the reasons for declination with Mrs B in February 2024. TSB explained that an appeal wouldn't likely change the outcome, which I think was fair. TSB also wrote to Mrs B on 7 March 2024 to confirm in writing that the main factor for declining her loan was affordability concerns. I think TSB have supported Mrs B by informing her of what she might need to address before making any future application with TSB or another lender.

I acknowledge Mrs B's frustrations that she's trying to address affordability issues by applying to TSB for the loan. But TSB aren't under an obligation to refinance Mrs B's lending with third parties to make this more affordable for her. TSB's contact notes evidence that Mrs B was aware in November 2023 that she could contact her existing lenders for support and I think this is an appropriate option for Mrs B.

Mrs B can also contact an array of organisations for reliable and independent advice about money matters – I'm aware our service has already provided details of these to Mrs B.

In these circumstances, I don't think TSB have acted unfairly towards Mrs B and I won't ask them to take any action on this occasion.

My final decision

For the reasons I've set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 5 August 2025.

Clare Burgess-Cade

Ombudsman