

The complaint

Miss N complains TSB Bank plc lent to her irresponsibly when they approved her application for an overdraft. She's also complained they failed to adequately monitor her use of the overdraft.

What happened

Miss N complains about the lending decisions below, and says TSB failed to monitor her reliance on borrowing.

| Date | Existing limit | New limit |
|-------------------|----------------|-------------------------------------|
| 29 March 2013 | £0 | Unknown (due to time that's passed) |
| 8 July 2014 | Unknown | £900 |
| 16 July 2014 | £900 | £1,000 |
| 12 September 2014 | £1,000 | £1,800 |
| 3 October 2014 | £1,800 | £2,000 |
| 30 October 2014 | £2,000 | £2,100 |
| 6 November 2014 | £2,100 | £2,400 |
| 16 December 2014 | £2,400 | £2,800 |
| 22 December 2014 | £2,800 | £3,000 |

TSB investigated Miss N's concerns and issued their final response. They explained Miss N had previously raised an irresponsible lending complaint, and they'd issued their response on this explaining she complained too late, in April 2022. So, they'd only reviewed her overdraft facility from the date of their previous response. And having done so, they felt it was clear Miss N had struggled to maintain the overdraft on her account. To put things right TSB said they would refund all interest and charges applied to Miss N's account from May 2022 onwards. They also said they'd remove the overdraft facility from the account the following month.

Miss N remained unhappy and brought her complaint to our service. When doing so she explained she wanted TSB to refund interest and charges from the initial lending decision in 2013 as they'd accepted, they'd made a mistake.

Our Investigator looked into Miss N's complaint and said we could consider Miss N's overdraft use from 2018 – the six-year period prior to her 2024 complaint. And after reviewing this, our Investigator wasn't persuaded Miss N's statements showed she was reliant on credit. Rather, had there been less non-essential spending on her account, Miss N would have been able to repay her overdraft. Because of this, our Investigator didn't think TSB needed to do anything further to put things right.

Miss N disagreed with our Investigator, so her complaint was passed to me for a decision.

I issued my provisional decision on 13 June 2025 and explained we could only consider TSB's actions after their April 2022 final response letter. And having considered that, I felt their offer to resolve Miss N's complaint was fair.

Both parties had until 27 June 2025 to respond. TSB didn't have any additional points for me to consider, and Miss N didn't respond. As such, my decision has remained the same.

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 considered everything, I don't think TSB needs to do anything further to resolve Miss N's complaint.

Miss N previously referred an irresponsible lending complaint to our service, and an Investigator sent his findings in January 2023. He explained he didn't think we could investigate Miss N's concerns because she'd raised her complaint too late – so it was out of jurisdiction.

I can't investigate complaint points that have previously been considered by our service. Miss N's previous case concerned TSB's lending decisions, and their monitoring of her overdraft use up to the date of TSB's final response that was issued on 14 April 2022. Therefore, I don't agree with our Investigator that we can consider what happened during the full six-year period prior to Miss N raising her second complaint in May 2024. I can only investigate TSB's actions from 14 April 2022, onwards.

TSB was obligated to determine if Miss N could afford the overdraft limits she applied for. But after TSB had made their lending decisions, their obligations didn't end there. They then had to ensure the lending remained affordable. And to do that, we'd usually expect a business to review a customer's overdraft use at least annually.

After investigating Miss N's complaint, TSB said there were signs she was struggling to maintain her overdraft. And to put things right, they refunded interest and charges applied to Miss N's account from May 2022 onwards. So, as an offer has already been made that covers the timeframe I can investigate, I've had to decide if that offer is fair in the all the circumstances.

In cases like Miss N's, if it's determined an overdraft was no longer affordable or sustainable for a customer, our usual approach is to ask the lender to refund interest and charges accrued on the borrowing. And we'd ask them to calculate this from the date the borrowing was no longer affordable/sustainable – as long as it's within a timeframe we have the power to consider. The offer TSB shared in their May 2024 final response covers the full period of time I'm able to consider. And that's because May 2022 is the first reasonable point after their April 2022 final response.

I appreciate Miss N wants to be refunded for the lifetime of her overdraft, but as I've mentioned above, I cannot consider or award anything from before 14 April 2022. Therefore, as TSB has acknowledged they could have done more to support Miss N, I'm satisfied their offer is in line with what I would have asked them to do.

I know this will come as a disappointment to Miss N, but I don't consider TSB needs to do anything more than they've already offered.

I've considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress offered results in fair compensation for Miss N in the circumstances of her complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

My final decision

My final decision is I'm upholding Miss N's complaint about TSB Bank plc.

I'm satisfied TSB Bank plc's offer is a fair resolution to Miss N's complaint. So, if they've not done so already, TSB Bank plc should:

- Re-work Miss N's current overdraft balance so that all interest, fees and charges applied to it from May 2022 onwards are removed.

AND

- If an outstanding balance remains on the overdraft once these adjustments have been made TSB should contact Miss N to arrange a suitable repayment plan for this. If it considers it appropriate to record negative information on Miss N's credit file, it should backdate this to May 2022.

OR

- If the effect of removing all interest, fees, and charges results in there no longer being an outstanding balance, then any extra should be treated as overpayments and returned to Miss N, along with 8% simple interest on the overpayments from the date they were made (if they were) until the date of settlement. If no outstanding balance remains after all adjustments have been made, then TSB should remove any adverse information from Miss N's credit file. †

† HM Revenue & Customs requires TSB Bank plc to take off tax from this interest. TSB must give Miss N a certificate showing how much tax it's taken off if she asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 29 July 2025.

Sarrah Turay
Ombudsman