DRN-5777176

The complaint

Mr M is unhappy that TSB Bank plc have reapplied the wrong date to a default.

What happened

Mr M previously raised a complaint with this service, the resolution of which was the TSB would change the date of default of his account from July 2019 to November 2018. This would mean that, after being reported on Mr M's credit file for six years, the default should have dropped off Mr M's credit file by November 2024.

In November 2024, Mr M complained to TSB because he noticed that TSB had reinstated the original date of default – July 2019 – which went against the resolution arrived at by this service for his previous complaint.

TSB responded to Mr M in February 2025 and apologised for what had happened. They confirmed that they had corrected the default date which meant that the default would drop off Mr M's credit file shortly. TSB also paid £200 to Mr M as compensation for the trouble and upset he incurred resultant from their mistake.

In April 2025, Mr M referred his complaint to this service, because he had noticed that TSB had once again reinstated the July 2019 default date, meaning that the default was once again showing on his credit file.

One of our investigators looked at this complaint and liaised with Mr M and TSB about it. At that time, TSB explained that while they had previously amended the date twice, they hadn't completed an internal process which, if done, would have prevented the date from being changed back to July 2019. TSB apologised for this, confirmed that the date had been amended for a third time and that the internal process had been completed, and offered a further £100 compensation to Mr M for what had happened.

Our advisor felt that TSB's corrective action and offer of a further £100 compensation represented a fair outcome to this complaint, but Mr M didn't agree. So, the matter was escalated to an ombudsman for a final 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 issued a provisional decision on this complaint on 12 August 2025 as follows:

It isn't in dispute that TSB made a mistake here – the non-completion of the internal process which would have prevented the date of Mr M's default being reverted back to July 2019 – or that TSB made that same mistake not once by twice. What is in dispute here is whether the additional £100 that TSB have offered to Mr M for making that same mistake a second time is fair.

I don't think it is, and I can see no reason why a second instance of a same mistake should be compensated at a lower level than the first instance of that same mistake. Indeed, given that TSB were made aware that a mistake had been made when Mr M first complained to them, it seems to me that a higher amount of compensation should be awarded for a second instance of that very same mistake, given that TSB don't appear to have taken the time to understand exactly why that mistake happened in the first instance.

Furthermore, the resolution of Mr M's previous complaint with this service meant that the default should have fallen from his credit file in November 2024, and not in July 2025. But TSB only corrected the second instance of the mistake in May 2025, and corrections to a credit file can take up to six weeks to apply. This means that Mr M's default would likely have shown on his credit file until either June or July 2025 – which effectively means that TSB didn't adhere to the resolution required of them by the previous complaint.

I can therefore appreciate how Mr M would be both incredibly frustrated and troubled by the continuing failure of TSB to do what they were required to do here. And because of this I don't feel that the additional £100 that TSB have offered to Mr M does represent a fair outcome to this complaint.

Accordingly, my provisional decision here is that I will be upholding this complaint in Mr M's favour and instructing TSB to pay a further £300 to Mr M, so that the total compensation amount is £500.

In arriving at this further and total compensation amounts I've considered the above factors I've discussed, which include that I feel that Mr M should fairly be compensated more for the repetition of the mistake than the original mistake, alongside the general framework this service uses when assessing compensation amounts, details of which are available on this service's website.

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Mr M responded to my provisional decision and confirmed that he was in acceptance of it. TSB also responded to my provisional decision and explained that they felt that my instruction to pay a further £300 compensation for their repeat mistake was excessive. However, it remains my opinion that TSB failed to resolve this matter, despite understanding and acknowledging the nature of their mistake, and also that a higher amount of compensation should fairly be awarded for a mistake that is repeated under such circumstances.

Accordingly, my position remains as I've described it in my provisional decision above, and I therefore confirm that my final decision here is that I uphold this complaint in Mr M's favour on the basis described in my provisional decision.

Putting things right

TSB must pay a further £300 to Mr M.

My final decision

My final decision is that I uphold this complaint against TSB Bank plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 23 September 2025.

Paul Cooper
Ombudsman