

The complaint

Miss A is unhappy with how TSB Bank Plc have engaged with her in relation to her credit card account.

What happened

I issued my provisional decision to both parties explaining why I thought Miss A's complaint should be upheld and invited both parties to provide any further evidence and / or submissions in reply.

The background to this complaint was set out in my provisional decision together with my provisional findings, which are included below and now form part of this final decision.

Background

In July 2024 Miss A approached TSB for support with her credit card payments. Miss A told TSB her personal and financial circumstances had changed as she was no longer able to work due to a health condition.

Through August 2024 and September 2024 various communications were exchanged between Miss A and the different TSB departments including the Customer Service Unit (CSU), the Tailored Support Team (TST), the complaint department and then later in October 2024 TSB's collections department.

In mid-October 2024 Miss A's circumstances were captured by the collections department which established through an income and expenditure (I&E) analysis that Miss A's monthly income and outgoings left her with a deficit of £571.53 each month.

Miss A took steps to set up a Direct Debit in October 2024 to pay off the credit card, but there was no attempt to collect the payment in November 2024, and December 2024's payment was returned unpaid. The Direct Debit was cancelled so January 2025's payment was also not collected and no further payments were made.

In January 2025 TSB issued Miss A with a Notice of Default. No further payment was made towards the account and the account was passed to TSB's debt recovery team.

Our Investigator's view of Miss A's complaint was that it should not be upheld. The Investigator concluded that broadly TSB had treated Miss A fairly as they had made numerous reasonable attempts to engage with Miss A to help her move forward. However, the Investigator did acknowledge TSB had some shortcomings in their service and said the £50 offered by TSB was, in the circumstances, fair to reflect that.

Miss A strongly disagreed with the Investigator. Miss A did not feel TSB had properly considered her circumstances which she'd made them aware of and said any problem with the Direct Debit was not a failing on her part as she had the funds and had agreed to pay the minimum payment of around £10. Miss A said TSB had unfairly removed her from the TST

and she was now being contacted by a third party about the outstanding sum. Miss A explained the stress of the whole matter was having a significant impact on her health.

As a resolution could not be reached, the matter has been passed to me to decide.

My provisional findings

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

I am sorry to learn of the change to Miss A's circumstances due to her health and how this has impacted her financially.

At the heart of this matter are Miss A's concerns that TSB have not properly recognised the challenges with her health and financial circumstances to offer her appropriate support, so I have reviewed what has happened between Miss A and TSB during the course of these events.

It should be noted that while I may not respond to each individual point either party has raised, I assure the parties I have considered them and my focus has been on those points I believe are relevant to achieving a fair and reasonable resolution for both parties.

Miss A said she found it difficult to engage with TSB and she refers in particular to spending the best part of four hours on the phone to TSB in mid-October 2024. It is apparent that on this day Miss A was passed between departments and placed on hold before eventually concluding an income and expenditure form with TSB's collections department which showed she had no surplus.

At one of these points Miss A spoke with a member of the TST who told her she would need to speak to another department to assess whether she could return to the TST. While I note TSB have processes in place, given the circumstances, this may have been an opportunity – in the interests of supporting their customer - to see if TSB could step outside of their normal processes to gather the information they needed from Miss A without passing her to another department.

In calls I have listened to different TSB staff members note that Miss A's experience on that day fell short and apologised for the time Miss A had spent on the phone. One of the staff members also recorded it as feedback.

Miss A also mentions a call that was promised to her on 30 August 2024 which did not happen, and this does not appear to be disputed.

I think it's fair to say TSB fell short on these occasions and I think time spent on the phone and not being called when promised caused Miss A a great degree of distress due to her health condition.

However, I'm also mindful TSB's records show numerous attempts to contact Miss A – sometimes at pre-arranged times and on other occasions TSB proactively tried to contact Miss A. I note there were occasions TSB called Miss A at a pre-arranged time but Miss A was then not able to speak. On those occasions I don't think it would be fair to say TSB had done anything wrong.

TSB let Miss A know they needed to carry out an assessment of her circumstances to understand how they could best help her. I note that Miss A first contacted TSB in July 2024 but her income and expenditure was not captured until October 2024.

While it did take several months to gather this information I note that Miss A was unhappy about sharing certain information with TSB, and there were times Miss A was unable to speak with TSB.

I don't think it was unreasonable for TSB to require details about Miss A's finances – income and outgoings – to help them better understand her circumstances and assess what they could do to support Miss A. Without this however, it would have been difficult for them to find a suitable way forward. Therefore, while it took some time to capture this information, for the most part, I think TSB made several reasonable attempts to engage with Miss A about her situation.

Miss A said she was unhappy TSB removed her from the TST's support when she had told them she was vulnerable.

TSB first removed Miss A from their support in September 2024 because they had been unable to assess her circumstances due to being unable to successfully engage with Miss A, and because – at that time – Miss A's account outwardly appeared to be managed.

I note Miss A also said TSB wrongly said they had assessed her circumstances at that time, but having reviewed the relevant communication I don't think this is enough to say TSB did anything wrong at that point or that they were referencing any suggestion that a full review had taken place - rather they had simply taken into account what Miss A had told them at that time. So I've not found anything on this point to persuade me TSB acted unfairly towards Miss A.

Miss A was passed back to the TST after the collections department had carried out her income and expenditure assessment. Having listened to the available calls, the TST team member, aware that Miss A had no monthly surplus, attempted to explain one of the options available to Miss A was to 'charge off' her account meaning the account would be closed, interest would stop being applied and Miss A could make token payments such as £1.

However, Miss A didn't want to negatively impact her credit file and told the TST staff member she wanted to set up a Direct Debit, and so it is apparent on the call that Miss A did not wish to engage any further with the option proposed by the TST staff member. So I've not seen anything here to suggest TSB treated Miss A unfairly.

The TST staff member transferred Miss A to set up the Direct Debit. The Direct Debit was set up, but not in time to take the next payment so Miss A was asked to pay £10 manually for her October 2024 payment. Unable to do this online or give card details over the phone Miss A had to go to a branch to do this and then experienced problems at the branch as they would only accept cash from her. Miss A then later had to prove to TSB she had made the payment.

I think it's fair to say this was a particular inconvenience to Miss A given her nearest branch was several miles away and I think TSB could have done more here to help Miss A, either by finding a way to make the payment without Miss A needing to travel to a branch, or let her know in advance that the branch would require cash. I do note TSB, in their response to Miss A's complaint, offered to cover any expenses for Miss A's travel to the branch, but it does not appear to date that Miss A submitted any evidence of costs she may have incurred.

Miss A says the following Direct Debit payments were not taken and it was not her fault as she had funds available and it was TSB who had not set up the Direct Debit properly.

I've considered this, but it seems the Direct Debit was set up. A letter confirming this was sent to Miss A. TSB cannot explain why the first intended payment was not collected by Direct Debit. But that said, the following payment was returned unpaid and Miss A then cancelled the Direct Debit herself. Miss A's credit card statements also showed when a payment was due to be collected by Direct Debit.

I think it's fair to say there was some sort of initial error with the Direct Debit, but overall I don't think that's made a difference here. Miss A's income and expenditure analysis showed she had no funds available, and to date Miss A has not shown where she would have obtained funds from to make the payments; the next month was returned unpaid and so Miss A has not made any payments to the account since October 2024.

I've also considered Miss A's comments that her payments were to be £10 a month and her concern that the statements showed higher minimum payments.

From my review I've found no record of any arrangement plan in place to pay £10 per month. The TST in their call with Miss A in late October 2024 referenced the next minimum payment due was around £10, but they did not say that each following month would also be £10 – the minimum payment was set out on Miss A's statements. And as I noted earlier, Miss A did not want to do anything different with the account payments as she did not want to affect her credit file.

Given the issues with the payments the TST attempted to engage with Miss A in November 2024 and December 2024 without much success and let Miss A know early in December 2024 their intention to remove Miss A from the TST.

TSB have obligations to treat their customer fairly, to support their customers and to treat customers in arrears and default with forbearance and due consideration.

From what I've reviewed I think for the most part TSB were reasonable and acted fairly towards Miss A. TSB have confirmed interest stopped being applied to Miss A's account from August 2024. They also made numerous attempts to engage with Miss A to find the most suitable way forward for her, but for them to do that I think it was reasonable for them to gather information about Miss A's income and expenditure to understand her financial position. And once reaching a point to discuss options, it is apparent Miss A did not want to take up TSB on the option they suggested.

I have considered though there were times when TSB's service could have been better - which they have acknowledged themselves.

I've considered the £50 TSB have paid Miss A already and I don't think this is enough, in the circumstances, to reflect the impact of these events on Miss A.

When determining an award of this nature our service considers such things as the time taken to sort out a mistake, the impact to someone's health and whether there was anything an individual may have been able to do in order to reduce the impact of the business's mistake.

Having considered these things, I think a fairer award would be for TSB to pay Miss A an additional £100 to the £50 they have already paid her.

I say this because it is apparent the long time spent on the phone in mid-October 2024 caused particular upset to Miss A as it appears Miss A's health condition is especially impacted by stress – she told TSB that it had taken her a few days to adjust after the day where she was on the phone for around four hours. I think it's fair to say Miss A was also

inconvenienced in having to drive several miles to make a payment of £10 at the branch where she encountered further difficulties in achieving what she needed to, so there was an opportunity to perhaps manage this more helpfully for her, not to mention there was a problem with the initial set up of Miss A's direct debit.

I think this is fair in the circumstances and I propose no more than this. I realise Miss A's circumstances are not easy for her and my intention here is not to cause her further upset, but I have to balance that while there were occasions TSB may have had – at times - opportunities to provide her with a better level of service, there were also many reasonable attempts made by TSB to help Miss A, and they could not do this without her engagement.

I note Miss A has referenced a third-party contacting her about the outstanding debt and TSB have explained they are agents acting on TSB's behalf. This is something TSB can do. I would simply remind TSB and by extension their agent to treat Miss A fairly, with forbearance and due consideration.

Responses to my provisional decision

TSB did not provide a response to my provisional decision.

Miss A responded to my provisional decision with further submissions as summarised:

- TSB did contact her on multiple occasions, and this felt like extreme harassment.
- She made numerous attempts to call back TSB.
- TSB ignored that she had told them it was not possible for her to speak for long periods of time on the phone due to her health.
- Her bank confirmed she had funds available for November and December 2024's payments and there were no attempts from TSB to deduct funds from her account in November 2024 and December 2024.
- The bombardment of letters and statements about missed payments would not have happened if TSB had set up the direct debit in October 2024.
- Her account was wrongly passed to a debt collection agency despite TSB being able to collect the payments through direct debit.
- She complied with TSB's instructions for October 2024.
- TSB should remove her details from the third party and TSB should ensure the payments for November 2024 and December 2024 do not negatively impact her credit file because of their error with her direct debit.
- The matter has caused a great deal of stress affecting her health.

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 have considered Miss A's most recent submissions, but while I realise this will disappoint Miss A I have not seen enough to persuade me to depart from the conclusions I reached in my provisional decision as set out above.

I've noted Miss A's submissions about the level of contact from TSB and that she has said this amounted to harassment. I realise that things were not easy for Miss A at this time, but I have reviewed the available records of Miss A's contact with TSB and while there were occasions where TSB did attempt to contact Miss A more than once in a day, this was not something that happened every day and as noted in my provisional decision some of the attempts to speak with Miss A were based on times to suit Miss A but she was, unfortunately due to her health, then unable to speak. I have also not seen enough to support that Miss A was harassed with correspondence. Statements are required to be sent, and there are certain pieces of correspondence such as Notice of Sums in Arrears which TSB are required to send.

From the submissions and evidence available to me it is apparent TSB were aware of Miss A's challenges at the time and I can see Miss A was told about support through TSB and external support through other organisations should she prefer. And as I set out in my provisional decision I think for the most part TSB made reasonable attempts to try and help Miss A.

I've reviewed once more the situation with Miss A's direct debit, but there is nothing new to persuade me to depart from the conclusions I set out in my provisional decision. That is, I remain of the view that Miss A's income and expenditure analysis showed she was not in a position to make the minimum payments required, the December 2024 direct debit was returned unpaid and Miss A subsequently cancelled the direct debit, meaning no payments were therefore made towards the account since October 2024.

I therefore don't think any issues with the direct debit there may have been would have altered Miss A's position. And in light of this I'm not persuaded that TSB should change their reporting for these two payments.

As I explained in my provisional findings, TSB are entitled to employ a third-party to collect debt on their behalf, so I'm unable to say they have done anything wrong here.

Overall, I recognise Miss A's personal and financial circumstances are not easy for her and as I've previously noted my intention is not to add to the challenges Miss A experiences on a daily basis. My role here is to determine what I consider to be a fair and reasonable resolution in the circumstances of the individual case. And for the reasons I've set out above I think there were some occasions where TSB could have better handled things, and for that reason I've recognised the impact of this on Miss A's well-being by increasing the compensation. I think this is fair in the circumstances.

Putting things right

TSB Bank Plc should pay Miss A £100.

My final decision

For the reasons above my final decision is that Miss A's complaint is upheld and TSB Bank Plc should put things right as I've described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 26 September 2025.

Kristina Mathews
Ombudsman