

The complaint

Mr R is complaining that TSB Bank plc (TSB) unfairly defaulted his account.

What happened

Mr R had an overdraft limit of £2,200 on an account with TSB. He's said he rarely used the account but in May and June 2024 Mr R transferred around £2,200 out of the account taking the account to its overdraft limit.

TSB continued to issue statements and wrote to Mr R on a number of occasions about his overdrawn and over limit balance between August 2024 and January 2025. These letters asked Mr R to make payment to his account and set out that if no payment was received the account would be defaulted. TSB says it received no response to its letters, and no payments were made into the account. So, on 22 January 2025 the account was defaulted, and the debt was passed onto a third party.

When Mr R was contacted by the third party about the debt, he raised a complaint with TSB on 1 February 2025. He says that he didn't receive TSB's communications and offered to pay the sum over the phone to prevent the account from defaulting.

TSB responded to Mr R's complaint but said it didn't think it had acted unfairly. It explained it wrote to the address it held for him and had attempted to reach him by phone without success. Given this it explained it had followed the correct process in defaulting the account and so didn't think it needed to do anything differently.

Unhappy with this response Mr R referred his complaint to our service. One of our investigators considered the case but didn't agree that TSB had acted unfairly and so didn't ask it to do anything further.

Mr R was unhappy that our investigator hadn't recommended the default be removed. So, he asked for a decision – and the complaint's been passed to me.

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 done so, I've reached the same outcome as our investigator for broadly the same reasons.

I think it would be helpful to set out here that the Information Commissioner's Office (ICO) says when a consumer is at least three months behind with their payments then a default may be registered. By January 2025 Mr R hadn't made any payments to the overdrawn and overlimit balance since at least May 2024. So, as Mr R was more than three months in arrears by the time the default was registered, I think TSB was acting in line with the ICO guidance, when it defaulted his account.

I can see TSB made several attempts to engage with Mr R about the overdrawn balance by letter and his statements. It set out the position of his account, offered support, provided details of independent debt advice organisations and let him know what would happen if he didn't make payment to the account or contact it about any difficulties he was having. But I can't see Mr R made any contact with TSB or payments to the account until February 2025. Further to this, the statements that Mr R still had access to online made it clear the account was in an overdraft and then over the overdraft limit.

As the statements were addressed to Mr R using the address they had on file, and I can't see Mr R contacted TSB to update or change this, I can't fairly say TSB failed to communicate with him appropriately about the overdraft. Even if as Mr R says, he didn't receive the correspondence TSB sent, I think it would have been reasonable to reach out to TSB to understand why he hadn't received statements. As Mr R had recently transferred a significant amount out of the account, I also think he knew there was an overdrawn balance that needed to be repaid.

I appreciate Mr R believes TSB should have attempted to contact him in a different way when it received no response to its letters. But it's for TSB to decide how to communicate with its customers and I can see that TSB correctly addressed all correspondence using the information it held, and it's said statements were available online. Ultimately, it's for customers to ensure that banks have their up-to-date contact details and to monitor whether they are receiving expected correspondence such as statements.

I've taken on board what Mr R has said about updating his address with TSB over the phone in 2021. I've reviewed the contact notes held by TSB, but I can't see any record of a change of address at that time, or any other time prior to the default date. I also can't see that Mr R has been able to provide any other evidence to show he did this. So, I can't reasonably conclude that TSB failed to follow the correct process, or write to the correct address, when notifying Mr R of the account status and what would happen if he didn't take action.

Based on what I've seen, on balance, I think Mr R would reasonably have been aware payments needed to be made to the account. I say this because Mr R had withdrawn enough money from the account to take it up to its overdraft limit. So, I think he reasonably would have been aware that when interest was charged on the account, in line with the terms, it would take the account over its overdraft limit if he didn't make payments to the debt. Given this, I think it would have been reasonable for Mr R to have accessed statements online to monitor the account or queried with TSB why he wasn't receiving statements after he'd started to use the account again in May 2024. But I can't see this happened.

I understand Mr R's frustration, but on the evidence available, I can't reasonably say that TSB shouldn't have defaulted the account or that it didn't follow the correct process to give Mr R adequate notice of what would happen if he didn't make payment to the account.

Mr R wants the default removed from his account – and I don't doubt how upsetting this is for him. But, as I've explained, TSB followed the correct process to give him notice that the account would default. And I can't see that Mr R made payment to the account as was required to prevent the default. So, I can't fairly say TSB has acted unreasonably and should remove the default.

My final decision

My decision is that I don't uphold Mr R's complaint about TSB Bank plc for the reasons I've set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 2 January 2026.

Charlotte Roberts
Ombudsman