

The complaint

Ms S complains that TSB Bank plc unfairly declined her application for a current account and provided her with a poor level of service.

What happened

Around October last year, Ms S applied for an account with TSB. Her initial application was declined and later reviewed on appeal. As part of the appeal, Ms S attended a TSB branch with additional documentation. She says the bank provided a provisional acceptance of her account, so she felt her application would be approved following her visit to the branch. However, TSB declined her application. Ms S says she submitted a further appeal, but the bank didn't respond.

Ms S says TSB's application process was unprofessional and caused her an inconvenience, as she had to visit a branch multiple times and pay for her and her partner to make the journey. Ms S says she was pregnant at the time and had only recently moved to the UK, so the process felt more difficult for her and caused her stress. Ms S adds that she didn't have another bank account at the time and needed the account with TSB for her financial independence. She feels the bank could have provided a better level of service and shown more consideration of her circumstances. Ms S also points to communications from TSB in which her name was spelt incorrectly.

In response to the complaint, TSB concluded it declined Ms S's account application fairly. The incorrect spelling of Ms S's name was in TSB's complaint correspondence, so this issue wasn't specifically addressed by the bank.

Remaining unhappy, Ms S referred her complaint to this service – she wants TSB to pay her compensation and issue an apology. Ms S adds that she feels TSB may have discriminated against her. Our investigator issued their outcome, explaining that TSB's decision was fair. The investigator felt TSB could have provided a better level of service to Ms S and asked the bank to pay her £100 compensation.

TSB disagreed so the complaint has been passed to me to review.

My provisional findings

I recently issued my provisional findings, in which I said:

I appreciate Ms S will be disappointed to hear that I'm not intending to uphold this complaint and award her compensation. So I'll explain why my provisional decision differs from that of our investigator.

I need to clarify that this service is unable to make findings on whether something constitutes discrimination as per The Equality Act 2010. This is because this service is an informal alternative to the courts, and only a court of law can make a legal finding based on the definitions set out within the act.

However, I can consider whether the bank has acted in a fair and reasonable manner, and to do that I will take several things, including The Equality Act 2010, into consideration.

It's generally for banks to decide whether to provide banking facilities to a particular customer. Each financial institution has its own criteria and risk assessments for deciding whether to open accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there's a very good reason to do so, this service won't usually say that a financial institution must accept a customer, or require it to compensate a customer who has had their account application declined.

Ms S would understandably like to know TSB's reason for declining her application. TSB has provided us with further details of its decision-making process. But I can't share this information with Ms S due to its commercial sensitivity. But I've seen nothing to suggest TSB's decision around declining Ms S's application was unfair.

I realise it was a challenging time for Ms S because of her pregnancy and because she'd recently moved to the UK. So I can understand why she found the bank's process to be difficult. However, I haven't seen anything that persuades me that TSB provided a poor level of service, or that it should have done more to assist Ms S.

Looking at the records I've seen, I can see TSB considered Ms S's appeal in a timely manner. TSB says the appeal to Ms S's application being automatically declined was considered on 18 October (a few days after Ms S's submission) and I can see the bank emailed her on that day advising of its provisional acceptance and requesting that she visits a TSB branch. The bank says that, following Ms S's branch visit, it made the decision to decline her application. I've also seen the email that was sent to her on 4 November advising her of the decision. I haven't seen anything else that points me to concluding there were any unreasonable delays either.

Ms S says she made several branch visits at her own cost. But I can't see that TSB asked her to visit a branch on more than one occasion. So I can only reasonably conclude that it's likely Ms S made these visits on her own volition. So I can't fairly conclude that TSB is responsible for the inconvenience and cost Ms S incurred as a result of these additional branch visits. Ms S also claims the bank failed to respond to her appeal, but the communications I've seen suggest TSB did issue a response and the bank says its email of 4 November was in response to Ms S's second appeal. So I'm satisfied Ms S's appeal was responded to.

Looking at the bank's communications about Ms S's appeal, I note that the language used by TSB recognises how Ms S may have felt about the bank's decision – showing empathy and understanding of her circumstances. TSB also advised Ms S that she could apply for a basic bank account, providing details on how she can do so. I acknowledge Ms S would have liked TSB to provide further support to her given her circumstances, but other than accepting her application, I can't see what more the bank could have reasonably done that would have satisfied Ms S.

I recognise the frustration Ms S was caused because TSB spelt her name incorrectly in its complaint correspondence. TSB advises this was down to human error and points out that it doesn't consider this to have caused significant upset. Although TSB doesn't seem to dispute the remit of our service in considering this complaint point, I'm mindful that Ms S never formally complained to the bank about its error. So TSB hadn't had the opportunity to consider this matter before our service's involvement. Additionally, the error seems to be isolated to the bank's letters about the complaint, rather than during its servicing of Ms S's account application. So it seems to me that this matter falls under complaint handling, which, under our rules, isn't something that falls within the remit of what this service can investigate.

Under DISP, this service can only consider a complaint if it relates to an act or omission by a firm in carrying out a regulated activity, or any ancillary activity carried out by the firm in connection with a regulated activity. Given complaint handling isn't considered to meet this definition, I don't have the power to reach a finding on Ms S's complaint about TSB spelling her name incorrectly.

Overall, I'm satisfied TSB had fair cause to decline Ms S's account application. Based on what I've seen, I think the bank treated Ms S fairly by considering her appeal and I'm satisfied the service it provided her during this period was fair. So I don't plan on asking TSB to do anything in relation to this complaint.

TSB accepted my provisional findings. Ms S didn't agree and submits the following:

- She maintains that TSB provided a poor level of service to her, pointing to an agreement by branch staff that someone would telephone to confirm her appealed application had been successful. Ms S says she never received this call. She also says TSB failed to respond to an email she sent on 4 November, following its decision to decline her application.
- Ms S adds that TSB had been aware of her circumstances, so could have done more to assist her. She says she's since been able to open accounts with other banking providers, so she questions TSB's decision to decline her application.
- Ms S also says that TSB took three months to respond to her complaint and failed to apologise.

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 considered Ms S's recent submissions, but this doesn't change my decision on her complaint.

I understand Ms S's concern about the time taken by TSB to respond to her complaint. Under the DISP rules, TSB has up to eight weeks to respond to a complaint. Although I can see that TSB took an additional week to respond, this isn't something I have the remit to reach a finding of fairness on. Similar to what I've already explained above, the time taken by TSB to respond to Ms S's complaint falls under complaint handling – which isn't a regulated activity. So under DISP, I don't have the power to consider this matter.

I acknowledge that Ms S has since been able to obtain banking facilities elsewhere. I can't comment on another bank's decision to accept her as a customer as this complaint concerns TSB. As I've said, TSB has its own criteria when considering account applications and its decision to accept or decline an application is a commercial decision made by the bank. It isn't for this service to oblige TSB to accept Ms S as a customer. It's also up to TSB to determine its own appeals process for declined applications, and whether this results in a change of decision is a commercial decision that the bank is entitled to make.

Unfortunately, there are no notes detailing what happened during Ms S's branch visit when she provided the bank with additional documents. So I can't fairly conclude that branch staff agreed to follow up with a telephone call. However, I note that TSB's decisions so far had been communicated to Ms S in writing. So I don't find it unreasonable that the bank decided to also communicate the outcome of her appeal in writing too.

Ms S feels she was assured that her account application would be successful. However, I've seen no evidence of this. TSB's email sets out that her application had been provisionally agreed, so this suggests to me that the outcome of the appeal remained open to being accepted or declined. I appreciate Ms S felt her appeal would be successful because of this, but I don't find that TSB acted unfairly by declining her application following its review.

Turning to the email Ms S sent to TSB on 4 November. I do acknowledge that the bank doesn't seem to have sent a response to her. However, looking at the content of Ms S's email, I can't see that any questions were raised or that she asked TSB to carry out a particular action. TSB could have at the very least acknowledged Ms S's email, but I'm not satisfied that this failing alone is fair cause to make a compensation award to Ms S.

Moreover, TSB's decision email of 4 November explains what Ms S needed to do to appeal the bank's decision again or apply for a basic bank account. So I'm satisfied the bank had taken reasonable steps to advise Ms S of the options available to her.

So I'm satisfied TSB acted fairly and I won't be changing my decision.

My final decision

For the reasons explained above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 4 February 2026.

Abdul Ali
Ombudsman