

The complaint

Mrs B complains that TSB Bank plc recorded incorrect information on her credit file and continued to write to her about her closed loan account.

What happened

Mrs B had a loan account with TSB. In 2019, she entered into sequestration. Since then, TSB continued to send her letters about her loan account.

In May 2025, Mrs B expected the default TSB had recorded on her credit file to have been removed and had to contact them to insist they removed it. She was also unhappy TSB had continued to write to her about the loan.

TSB responded in July 2025. It said that it had written off her loan and information was no longer recorded information about it on her credit file. However, its systems would still send her letters about the arrears on her account every six months. TSB confirmed Mrs B didn't owe any money and she should either destroy its letters or retain them for information purposes only. TSB offered Mrs B £75 compensation.

Unhappy with TSB's response, Mrs B referred her complaint to our service. Since its response to her complaint, TSB had sent her another letter. This time, the letter said that if she had been told TSB no longer required her to make payments towards this debt, she should ignore its letter. TSB's letter went on to say she was behind with her loan repayments.

TSB told our service it had incorrectly recorded Mrs B's loan account as in default in July 2019, when it should actually have recorded it in May 2019. This led to Mrs B having to get in touch to get this information amended. To recognise this, and the continued letters, it offered her a further £225 compensation to bring its total offer to £300.

One of our investigators reviewed Mrs B's complaint. Having done so, they thought TSB's revised compensation offer of £300 fairly reflected the distress caused by its letters and the inconvenience of Mrs B having to call TSB to get the default amended and removed from her credit file. The investigator explained we can't stop TSB sending her letters, and pointed out TSB had told her to ignore them.

Mrs B said she would have accepted TSB's offer if it would resolve matters. However, as it would continue to send her letters she thought £5,000 compensation would be more appropriate. As Mrs B didn't accept our investigator's opinion, it was referred for an ombudsman's 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.

Having considered Mrs B's complaint about the information recorded on her credit file and TSB's continued letters until July 2025, I think £300 compensation fairly recognises the distress and inconvenience caused by TSB's actions. I realise my decision is likely to disappoint Mrs B, but she may find it helpful to review examples of awards our service might make when a business has caused distress and inconvenience:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

Mrs B has received letters periodically from TSB since 2019. However, she didn't feel the need to complain until 2025, after she expected her credit file to have been updated. So, it doesn't appear that these letters caused Mrs B any significant inconvenience or distress. There isn't, for example, any evidence to suggest Mrs B felt these letters were a serious attempt to get her to pay more money towards her loan account. Mrs B has been reassured she can continue to ignore these letters and doesn't owe TSB any money.

I do accept Mrs B was upset when discovering her loan hadn't been removed from her credit file, and this took some time to sort out. TSB sorted this out within a reasonable timeframe and there isn't anything to show this delay caused Mrs B significant inconvenience or other financial loss.

I sympathise with Mrs B's situation, but I don't have the power to tell TSB to change its systems. So, I can't stop TSB from sending letters to Mrs B in future. My decision is only covering TSB's actions until the date of its July 2025 response and I can't consider any future distress or inconvenience that she may or may not experience as a result of its actions. So, if Mrs B continues to receive letters from TSB that concern her, she should contact them directly to raise a new complaint.

Putting things right

TSB should pay Mrs B £300 compensation.

My final decision

My final decision is that, if it has not already done so, TSB Bank plc should pay Mrs B a total of £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 17 March 2026.

Victoria Blackwood

Ombudsman