

## **complaint**

Mr G complains that TSB Bank plc has allowed direct debits to be paid from his account when there was not enough money in the account, causing the account to become overdrawn, and about the charges that it has applied to his account.

## **background**

Mr G has a cash account with TSB. In September 2014 TSB allowed direct debits to be paid from the account when there was not enough money in the account which caused the account to become overdrawn. Mr G says that it is a cash account which does not have an overdraft facility but that TSB applied charges to the account. He complained to TSB but was not satisfied with its response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. She concluded that TSB had acted fairly and reasonably and in accordance with the account terms and conditions.

Mr G has asked for his complaint to be considered by an ombudsman. He says, in summary, that if TSB's terms and conditions say that it can apply an unplanned overdraft to his account by paying direct debits from it, why has it not done so before when it has always recalled his direct debits rather than letting his account become overdrawn? He says that TSB seems to have acted on a whim and decided that this could be an easy way to earn additional money from him with its charges. He also says that, if TSB felt that it acted fairly with his account, why would it pass his account to a debt collection agency?

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

TSB's personal banking terms and conditions say:

*"If you try to make a withdrawal or a payment out of your account (for example, by card, direct debit or cheque) for which you do not have available funds, we will treat this as a request for an Unplanned Overdraft, or for an increase in your Unplanned Overdraft if you already have one".*

TSB would not have known that Mr G had made other arrangements to pay his direct debits and when the payment requests were submitted to it, I consider that TSB acted fairly and reasonably in allowing the direct debits to be paid from his account. I consider that it is reasonable for a bank to assume that a customer wants payments that they have authorised to be paid from their account, and that they would be aware if the payments would be greater than the money in the account. Even if TSB has acted differently in the past, I consider that its terms and conditions clearly allowed it to treat the direct debits as a request for an unplanned overdraft and to act accordingly. TSB has then applied charges to the account in accordance with the terms and conditions and I am not persuaded that there is enough evidence to show that the charges have been applied incorrectly.

The account terms and conditions also say that TSB can take money from a customer's account to repay money that they owe on another TSB account. I consider that TSB fairly and reasonably relied on that authority to transfer £470.91 between Mr G's accounts in

December 2014 (although the transfer was reversed the following day which TSB says was at Mr G's request).

TSB says that its collections department's notes show that Mr G told it a number of times that he did not intend to make a payment towards his overdrawn balance and that, as a result, his account was transferred to its recoveries department which would have instructed the collection agents to which Mr G refers. I have seen no evidence to show that TSB's collections department's notes are incorrect so – given that Mr G had told TSB that he would not be repaying the overdrawn amount – I consider that it was fair and reasonable for TSB to take action to recover the debt. There is no requirement for a bank to stop recovery action because a customer has complained to this service.

I am not persuaded that there is enough evidence to show that TSB has acted incorrectly in its dealings with Mr G. I therefore do not consider that it would be fair or reasonable for me to require it to refund to his account the money that caused his account to become overdrawn or to refund to him any of the charges that have been applied to his account.

### **my final decision**

For these reasons, my decision is that I do not uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr G to accept or reject my decision before 8 July 2015.

Jarrold Hastings  
**ombudsman**