

## **complaint**

Mr L complains about a default applied to his credit file as a result of an overdrawn balance on his TSB Bank plc ("TSB") account.

## **background**

Mr L made an online transaction with his TSB debit card that caused his account to go overdrawn by £15. So TSB applied unauthorised overdraft fees, and wrote to him to let him know. But he'd moved house, and didn't receive the letters.

Some months later, having not had a response to its letters, TSB passed Mr L's debt to a debt collection agency and applied a default marker to his credit file.

Our investigator didn't think TSB had acted unfairly. She said it had made a reasonable attempt to contact Mr L to tell him about the overdrawn balance and charges he'd incurred. And she thought the credit file was an accurate reflection of what had happened with the account.

Mr L disagreed. He said TSB should have done more to contact him, such as sending an email or phoning him. And he said the effect of the credit file markers – potentially jeopardising his chances of getting a mortgage – were disproportionate to the original debt of £15.

As the investigator didn't change her mind the complaint's been passed to me to make a decision.

## **my findings**

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

It's not in dispute that Mr L carried out a transaction which took his account overdrawn. And he accepts TSB was entitled to apply charges as a result. But I've thought carefully about what happened after that.

TSB sent a number of letters and statements to the address it held for Mr L. But he'd moved house, and hadn't updated TSB with his new address, so he didn't get them. The terms of Mr L's account say it's the customer's responsibility to ensure their details are up to date. So I don't think it's TSB's fault Mr L didn't get the letters.

Mr L's said TSB should have realised sooner that he'd moved. But these letters weren't being returned, they just weren't being responded to. So I don't think it would be reasonable to expect TSB to have deduced from this that Mr L must have moved, rather than chosen not to reply to its letters.

Mr L's also said TSB should have emailed or phoned him. But its terms say it may contact him by post, email or telephone. And it's said it only sends statements and sensitive letters by post for security reasons. So I don't think it's has treated Mr L unfairly by just sending him letters. It had told him it may send him things by post, and, if his details had been up to date, there's no reason to expect him not to have received its letters.

With the fraud risks presented by unsecured email, I don't think it was unreasonable for TSB to choose to send Mr L's statements in the post. And when it did call him (after he'd raised his complaint) the number it held wasn't correct. So it wouldn't have been able to contact him successfully by phone in any event.

Around five months after account went overdrawn, TSB had one of its letters returned. And at this point it passed Mr L's debt to a debt collector. I think this was a reasonable step for it to take at that point. The debt had been outstanding for a while, and the returned letter indicated Mr L's contact details may not have been up to date. In the circumstances, I think it was fair for it to pass this debt on to a company which specialises in locating and contacting debtors.

Overall, I don't think TSB treated Mr L unfairly. His account was overdrawn and TSB used the medium it said it would to try to let him know. Mr L didn't see TSB's letters because he hadn't updated his contact details. After a reasonable time had passed and TSB thought it was unable to reach Mr L, it passed his debt on to a debt collector.

TSB had an obligation to treat Mr L fairly, but I don't think this means it should have done more than it did to make him aware of his debt. It was reasonable for it to have expected that Mr L ought to have kept his details up to date and monitored the status and balance of his account.

It's unfortunate that Mr L's credit file has been negatively impacted by a relatively small initial deficit on his account. But I'm not persuaded that the effect that's had is a result of anything TSB has done wrong.

### **my final decision**

For the reasons given, my final decision is that I'm not going to ask TSB Bank plc to take any further action to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 3 April 2017.

Luke Gordon  
**ombudsman**