

complaint

Mr F complains on behalf of his son, H, that TSB Bank plc was irresponsible when lending money to H.

background

H opened a current account with TSB in February 2014. He was given an overdraft of £100 and a credit card with a £2,500 limit. It also granted him eight extensions to the overdraft limit on the account which H applied for online. Mr F says this was irresponsible lending given that H had spent over £4,000 in a four month period. And also that H is an apprentice on limited pay which only leaves him £50 per week as spare income. He says TSB didn't carry out enough checks to make sure the limits were affordable.

TSB says H satisfied its internal standards for lending money. His account was in credit and he was on a regular income. He was eligible to open an account and to have the limits extended which he applied for online. During this time, TSB could see his credit card account was still in order and he was an adult responsible for his own decisions. TSB explained it wouldn't measure affordability for a credit card or overdraft in the same way as it would for a loan. It didn't think it did anything wrong by lending to H.

Mr F complained to us. Our adjudicator didn't uphold the complaint saying H took the decisions to open an account, sign a credit card agreement and apply for extensions to the overdraft. H was eligible for all the services he applied for. The adjudicator didn't expect TSB to monitor H's spending and so it didn't do anything wrong. Mr F disagreed with the adjudicator's view and asked for the matter to be looked at again

my findings

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

Having done that, I've decided not to uphold this complaint. I'll explain why.

Firstly, I do appreciate and understand Mr F's submissions and arguments. I also understand that he feels very strongly about his son's situation. But that doesn't mean TSB was irresponsible with its lending decision when the card and overdrafts were approved in 2014. At that time, H didn't appear to be in financial difficulty, he had a regular income and his credit rating was enough for his online applications to be automatically approved. I think H was old enough to take his own financial decisions and so he signed his own credit agreement with TSB. Also, having applied for the credit card and overdrafts, he didn't have to use them. And I don't agree with Mr F that TSB needs to keep an eye on H's spending before it makes its lending decisions. In this case, I think it was enough that H satisfied TSB's internal conditions for credit. So, taking everything into account, I don't think TSB did anything wrong here.

my final decision

My final decision is that I do not uphold this complaint and I make no award against TSB Bank plc

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F on behalf of H to accept or reject my decision before 13 November 2015.

Amrit Mangra
ombudsman