

complaint

Ms O complains that TSB Bank plc have charged a cash advance fee on a transaction and then applied interest charges incorrectly. She wants the bank to refund the fees and interest and compensate her for the inconvenience this has caused.

Background

Ms O made a £5.00 payment to an online gambling company from her PayPal account. She used her TSB credit card as payment on this account.

When she received her credit card statement, she noticed a cash advance fee and contacted the bank to query it.

The TSB representative explained any gambling transactions are treated as cash payments and as such, a £2.50 cash advance fee had been applied to her credit card.

Ms O was very unhappy about this and even more so, when she was advised an interest charge would also be applied to both the payment and the cash advance fee.

Ms O says she had no idea this payment would be treated as cash and had she known she would not have made it from this account.

The bank explained these charges were in line with the terms and conditions of her credit card account.

Ms O then tried to establish how the interest would be calculated and didn't get a satisfactory response and so referred her complaint to us.

Our adjudicator looked into things for Ms O and confirmed the bank had not made an error in applying the fees and charges or in the calculation of the interest charges. She did acknowledge Ms O had been given incorrect information during some of her calls with the bank.

TSB had already refunded the cash advance fee and interest but offered a further £30 for the inconvenience. She thought this was reasonable and didn't ask the bank to do anything further.

Ms O disagreed she felt her time and trouble was worth much more than £30 and asked for this review.

my findings

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

I've looked at the terms and conditions of the credit card account. They clearly say that any gambling transactions are treated as a cash withdrawal and so a cash advance fee is applicable. They also make it clear that interest is payable on both and so I'm satisfied the bank hasn't made an error in the application of either.

From listening to the telephone calls, I understand Ms O was incorrectly told if she paid the £7.50, she would avoid any further interest charges.

Unfortunately, as the statement with the payment and cash advance fee hadn't been issued she did incur an interest charge.

Ms O also asked TSB to send her the interest calculations several times, which they acknowledged they failed to do.

I have looked at the interest calculations, which were completed manually but I found no errors in the calculation.

The bank has already refunded the cash advance fee of £2.50 and the interest charge of 20 pence.

In recognition that Ms O had not received the customer service they would expect to give, they have also offered £30 compensation. This is based on £25.00 for inconvenience and £5.00 for the phone calls Ms O made.

I understand Ms O was unhappy with this offer but in the absence of any further evidence of financial loss, I'm satisfied this offer is fair and reasonable and I'm not going to ask them to do anything else.

my final decision

For the reasons I have given I order TSB Bank plc to pay Ms O £30 in settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 15 September 2017.

Wendy Steele
ombudsman