

complaint

Mr and Mrs P are unhappy with TSB Bank plc's handling of their accounts. They say TSB failed to cancel a direct debit to Mr P's credit card account, didn't help them when they were in financial difficulty, and its communication was poor – resulting in charges and needless trips to a branch.

background

Mr and Mrs P have a joint current account with TSB, Mrs P has a sole current account, and Mr P has a credit card account. Mr P contacted TSB on 15 February 2019. He spoke to various staff members on the phone about his credit card and his financial difficulties. During these conversations Mr P asked about cancelling future direct debits and made TSB aware he was in discussions with a debt advice charity. TSB agreed to refund the February credit card direct debit to the joint account.

In March 2019 Mr P called again after March's TSB credit card payment was taken from the joint account. Mr P asked TSB to make an indemnity claim for this direct debit but it was refused. Mr P was unhappy with how he had been treated so he raised a complaint.

In early April 2019 Mr P went to a TSB branch and paid £60 in cash to cover a direct debit of £66.80 due to leave the joint account. Despite making this payment the direct debit was returned and Mr and Mrs P were charged. Mr P then had to travel the next day to a TSB branch to make a further payment into Mrs P's account.

Unhappy with the way they had been treated by TSB Mr and Mrs P brought their complaint to this service. They said they were unhappy with not being given breathing space with their finances and that the £60 Mr P paid into their joint account didn't cover the direct debit due to charges TSB applied to the account. Also that Mr P had to travel to the branches when he could have made a payment over the phone.

TSB said it hadn't promised Mr and Mrs P breathing space or that Mr P's credit card direct debit would be cancelled. TSB also said the reason the direct debit on the joint account was returned was because there weren't enough funds in the account.

Our investigator felt TSB had not done anything wrong. He said Mr P hadn't asked TSB to cancel his TSB credit card direct debit so it didn't do anything wrong when it collected March's credit card payment. And Mr and Mrs P had logged into their online account on 1 April 2019 so they were aware of their balance when paying money into the branch to cover the £66.80 direct debit.

Mr and Mrs P didn't agree. They said they had made a lot of calls to TSB asking for help and TSB should have given them more help with their finances. They also said the £60 Mr P paid into their joint account didn't cover the direct debit due to charges TSB applied to the account.

So this complaint has now been passed to me for a final 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. Having done so, I'm not going to uphold it. And I'll explain why below.

Mr P's credit card and TSB promising breathing space

When dealing with a customer who is having financial difficulties this service expects TSB to treat them positively and sympathetically. We would expect TSB to help Mr and Mrs P with their finances which can include (but isn't limited to) freezing interest and charges. I can see TSB did freeze interest and charges on Mr P's credit card in April 2019. So I need to consider if it should have taken this action sooner, or done any more to help.

In his conversation with TSB in February 2019 I note Mr P did ask about getting his credit card payment for February refunded and if TSB could agree to thirty or sixty days' breathing space. He also made TSB aware he was in discussions with a debt advice charity. Mr P had to end the call but the February credit card payment was refunded to his account. And he was told by TSB he would have to call back to finish discussing his financial difficulties.

I don't think it was unreasonable of TSB to want to understand Mr P's overall financial situation before deciding what steps it could take to help. And I think it made it clear to Mr P on the call that he would need to speak to the credit card collections team to discuss cancelling his credit card direct debits.

I've reviewed the call notes on Mr and Mrs P's account. Mr P called on 6 March but didn't have the time to go through his income and expenditure until 9 March. During the call it was confirmed he was overcommitted, and TSB suggested he contact a debt advice charity. TSB didn't receive the debt advice charity referral until 2 April 2019. And TSB immediately froze interest and charges on the account.

I've also seen the attempts TSB made to contact Mr P during February and March to discuss his issues. So I'm satisfied it did try to help Mr P with his difficulties during this time, and that freezing interest and charges when it did was a fair step for it to have taken. In the circumstances, I find I can't fairly conclude that it should have frozen the account any sooner.

I note Mr P is unhappy with the calls that took place on 18 March. Mr P does have my sympathy for his situation. And I can understand why he found the calls frustrating. I accept he thought he had agreed breathing space with TSB in relation to his finances. However, I'm persuaded - from the evidence I've seen and the calls I've listened to - that this wasn't agreed. I'm satisfied that TSB had made it clear it wanted to discuss things further with Mr P before agreeing any concessions. So TSB was entitled to take the credit card payment in March. And I've seen it did agree to refund this payment to Mr P's account.

the current account direct debits

Mr and Mrs P are unhappy their direct debit was returned due to TSB's charges on their joint account. So I need to consider whether they were aware of the pending transactions, the charges and whether TSB did anything wrong by returning the direct debit.

The payment Mr P made on 1 April wasn't enough to cover the outgoings and the overdraft charges on the account. Even though Mr and Mrs P were struggling financially it was up to them to run their accounts within the agreed overdraft limit to meet their liabilities. As I've not seen any evidence TSB had agreed to freeze Mr and Mrs P's interest and charges at this point I'm satisfied it was entitled to add the overdraft charges to the account and return the direct debit due to Mr and Mrs P having insufficient funds.

Mr P has mentioned having to go to branch to make a payment on his wife's account the next day. He says he was then told by the branch staff a payment could be made over the phone later that day. I'm sure this would have been frustrating to hear in the circumstances but I'm satisfied the branch member was most likely trying to help. Also the text messages TSB sends - which I've seen - don't instruct Mr and Mrs P to make a payment in the branch in order to keep their accounts within the overdraft limits.

I understand it wasn't easy for Mr P to get to the branches to make the payments given his circumstances. But the terms and conditions do say paying cash at a branch isn't the only way to pay money into the account on the same day. So I've seen nothing which suggests TSB did anything wrong in relation to this. Also I can see from the statements that the fees and associated charges for the returned direct debit were put back into the joint account in April 2019, as was the overdraft fee.

So I'm not going to require TSB to take any further action in relation to this returned direct debit.

my final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs P to accept or reject my decision before 8 November 2019.

Mark Dobson
ombudsman