

complaint

Mr R complains that TSB Bank plc lost his telephone banking security code. He is unhappy that he has been unable to use telephone banking services.

background

Mr R called TSB on 2 August 2018 to ask whether a cheque had cleared. He was unhappy that he was not asked for digits from his telephone security code, but was instead asked another security question, which he failed. During the call Mr R was incorrectly told he'd never had a security code.

Mr R complained to TSB. He didn't get a response, so he brought his complaint to us. One of our investigators spoke with TSB who advised that Mr R's security code was on its system and he could still use telephone banking services. She didn't uphold the complaint. TSB reviewed its records; it advised that Mr R had been de-registered for telephone banking in error and his security code had been deleted. TSB offered to pay Mr R £150 compensation. A second investigator thought this offer was fair.

Mr R disagreed; he asked for an ombudsman to make a final decision. Mr R says that he is still unable to use telephone banking as TSB has not restored his old security code, nor had it sent him a new security code. He is also unhappy with the way that TSB handled his complaint. He wants TSB to pay him £500 compensation.

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 think TSB has made a fair offer.

Mr R's strength of feeling is clear, and he has provided very detailed submissions. I have looked at what he has said. However, we are an informal complaint-handling service, as such I do not intend to respond to every point raised but will focus on the issues that I think are relevant to the outcome of the complaint.

de-registration of Mr R's telephone banking services

When Mr R called TSB on 2 August 2018 its system showed he had not been registered for telephone banking services and the security code entry was blank. Mr R disputed this as he had used the service before. Mr R says his security code was lost as part of the IT issues TSB had.

After our involvement, TSB carried out an investigation. It found from previous complaints notes that Mr R had referred to telephone banking. TSB accepts that Mr R had been de-registered from telephone banking in error and was incorrectly told on 2 August 2018 that he never had a security code.

Unfortunately, TSB has been unable to establish exactly why Mr R had been de-registered for telephone banking but says it may have been caused by the system migration problems it had in 2018. TSB offered to pay Mr R £150 compensation for the inconvenience caused.

Mr R has experience working with IT systems, he says that TSB should be able to retrieve the deleted security code from its backup files. Whilst I don't doubt Mr R's experience, TSB has advised that it is unable to retrieve Mr R's deleted security code and as its system shows he is no longer registered for telephone banking services, he needs to contact it to re-register and a new security code will be sent to him in the post.

Mr R has asked our service to comment on whether the loss of his security code is a breach of data protection laws. It is not our role to decide whether there has been a breach of data protection laws or to impose fines in respect of any breaches, this is the role of the Information Commissioner's Office (ICO). Mr R may wish to raise this with them directly. We can consider whether it is fair and reasonable to tell a business to pay compensation or take some action to put things right, to recognise the impact of what's happened to the consumer, and I've considered this below.

service provided during calls on 2 August 2018

Mr R is unhappy with the customer services received during his calls with TSB. I've listened to the relevant calls to see what happened.

On the 2 August 2018 Mr R called TSB telephone banking to confirm whether a cheque had cleared. Mr R was initially asked a security question about a recently debited cheque. Mr R questioned why he was being asked about an item on his account that he was calling to query. He was unhappy that he was not asked for selected digits from his security code. The advisor said there was no record of him having a security code. Mr R wanted the advisor to find out what happened to his security code, but she could not look into this, as Mr R had not yet passed security.

The advisor asked Mr R another security question, this time the amount of a direct debit. Unfortunately, Mr R answered this question incorrectly. He subsequently checked his statement and gave the correct answer, but the advisor said she could not access his account because he had already failed security. Mr R asked to be put through to a manager, who repeated what the advisor had said. He was then transferred to the complaints team, who logged his complaint.

Mr R was unhappy that TSB said it could not access his account because he failed security. TSB offered the following alternative options to Mr R; he could call back and attempt to pass security again, he could visit his local branch along with ID, it could send him a one-time security code by text to a mobile phone or it could re-register him for telephone banking services and send him a new security code by post.

Mr R did not find any of the options offered by TSB to be reasonable. He says TSB should have accepted his subsequent correct answer or should have asked him another security question. I can understand why he thinks TSB should have taken a more pragmatic approach. But Mr R did not answer the first question about the cheque and answered the second question about the direct debit incorrectly – and TSB did offer him alternatives in order that he could access his account.

I appreciate that not all options offered by TSB were suitable, as Mr R did not have a mobile phone and was housebound, so couldn't go into branch. Mr R says it was unfair for TSB to ask him to have to call back as he would have to join the queue again. I appreciate that this would have been inconvenient, but I do not think it was unreasonable for TSB to ask Mr R to call back to go through security again.

Mr R declined TSB's offer to re-register him for telephone banking and issue him a new security code. He wanted TSB to retrieve his old security code. TSB advised that it is unable to do this. In the circumstances, I do not think it was unreasonable for TSB to offer to re-register him and send him a new security code in the post.

As Mr R failed security, TSB could not access his account. In the circumstances, I think that TSB offered reasonable options to try to help Mr R, I don't uphold this part of his complaint.

TSB's handling of Mr R's complaint

Mr R raised his complaint with TSB in August 2018, it sent him several holding letters, but it did not send him a response to his complaint. But I'm afraid complaint handling isn't a regulated activity. Under our rules I don't have the power to consider how TSB handled his complaint, so I won't comment further on this.

TSB's offer of £150 compensation

Mr R does not think that TSB's offer to pay £150 compensation is fair. He says this does not reflect that he is still without a telephone security code. Mr R wants TSB to pay him £500 compensation.

There is no dispute that TSB de-registered Mr R's telephone banking in error and it incorrectly told him he never had a security code. To decide what compensation is fair, I've looked at the impact on Mr R and also considered whether there were any steps Mr R could reasonably take to minimise the impact of TSB's errors.

When Mr R called on 2 August 2018, he wanted to know whether his cheque had cleared. He confirmed that he got his statement with this information two weeks later. But Mr R wanted the information during the call, so I can understand his frustration at not getting it. If TSB had not deleted Mr R's security code this would not have happened. However, three members of TSB staff told Mr R that it could answer his account query if he called back and went through security again. So, although Mr R feels strongly about the inconvenience of calling back, it was his choice not to call back on the same day to get the information about his cheque.

I can appreciate how frustrating it would have been for Mr R to be told there was no record of him having a security code and to learn that he was no longer registered for telephone banking. Mr R says that TSB's error has meant he has been unable to use telephone banking.

I've looked at Mr R's bank statements from July 2018 to January 2019, it doesn't look like being de-registered stopped him from using his account, as much as he did before. And during the call Mr R confirmed that he didn't use telephone banking often. In addition, TSB did confirm during the call on 2 August 2018, that Mr R could still call TSB if he had any account queries, without a security number, and he would be asked other security questions. So, although Mr R could not make payments without a security code, he could still use telephone banking.

TSB offered to register Mr R again for telephone banking and issue him a new security code on 2 August 2018; Mr R declined this offer. So, I've taken into account that Mr R could have been registered again and been sent a new security code within a week of his call.

Our investigator recommended that TSB should register Mr R for telephone banking and send him a new security code, but TSB let us know that Mr R would now need to call to re-register himself. And I can see that we have given Mr R the number he needs to call. So, whilst I accept that TSB's error will cause Mr R the inconvenience of having to re-register and wait for a new code, I don't think it is fair to hold TSB responsible for the delay in being re-registered for telephone banking, as Mr R could have taken steps to minimise this delay.

I do think Mr R has been caused frustration and inconvenience as a result of TSB's errors. So, I agree that Mr R is entitled to compensation regarding this. Mr R doesn't think £150 offered by TSB is enough to compensate him for everything he's experienced. I understand Mr R's strength of feeling on this matter, but I should explain that it's not within our remit to fine or punish businesses. Having considered everything, I think that £150 compensation is fair in the circumstances.

my final decision

My final decision is I partly uphold this complaint and order TSB Bank plc to pay Mr R £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 8 May 2020.

Karen Dennis-Barry
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