

complaint

Mr D complained that TSB Bank plc shouldn't have lent him money, or given him more payment plans. He wanted his debt written off, and compensation.

background

Mr D opened a TSB account in late March 2014. He paid money in in early April. But straightaway he started taking money out, and by 15 April 2014, his account was overdrawn. Mr D set up several direct debits, too, but these all bounced and were never paid. His debt increased.

TSB agreed a number of repayment plans. Mr D said he broke 15 payment plans. TSB's records say there were 9 payment plans. But, whichever figure is right, Mr D broke all of them.

Mr D was charged £273.13 in charges and interest. He was refunded £219.77 into his TSB account and £618 into an external account. Some of this (£134) related to phone call costs which Mr D said he'd incurred, but he wasn't asked to provide evidence.

As Mr D's debt increased, TSB asked him to give in his debit card at his local branch. But Mr D didn't do this and carried on using it. He told TSB he was in financial difficulties, and TSB suggested a debt charity.

Eventually, Mr D's account was sent to debt recovery. By this time the debt was around £1200. Mr D complained. TSB pointed out that Mr D had broken numerous repayment plans. It said interest had been frozen for a period, and charges had been refunded on numerous occasions. TSB told Mr D it had put a default on his credit file, and that he'd have to liaise with the debt recovery organisation about repaying his debt.

Mr D wasn't satisfied and complained to this service.

The adjudicator didn't uphold Mr D's complaint. He pointed out that Mr D's debt was made up of debit card transactions which Mr D would have to repay. He looked at the history of Mr D's account, and the plans which Mr D hadn't kept. The adjudicator considered TSB had been sympathetic to Mr D's financial circumstances, and Mr D would need to repay his debt.

Mr D wasn't satisfied. He said he wasn't complaining about charges, but that TSB should have revoked his card. He also claimed that TSB should have realised after the third broken arrangement that he couldn't pay it back, and it should have stopped giving him any more payment plans at that point. He said It was TSB which had acted irresponsibly and it had left him with no way of paying a debt.

my findings

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

The records of Mr D's account show that the outstanding debt consists of money which Mr D spent. He used a debit card, which is a guaranteed method of payment. So the problem was Mr D's spending, not charges or interest. The figures show TSB refunded charges and interest. So the debt is money which Mr D spent, and so it's his responsibility to pay it back.

Mr D says TSB shouldn't have let him spend this money, but should have stopped his card, and stopped giving him payment plans. I don't agree. Setting up repayment plans could have helped Mr D get his finances back on track, if he hadn't broken them every time. And I don't think Mr D would have been happy if TSB had stopped his card. For example, the call notes show a conversation in March 2015 where Mr D asked for another payment plan, and said the bank hadn't done enough for him. He told the bank it would be responsible for his family being homeless if it didn't agree to what he wanted. The records simply don't show what Mr D now says – that TSB shouldn't let him have more money.

Mr D had told TSB he was in financial difficulties, and banks are expected to be sympathetic to this. I find that TSB was sympathetic. It repeatedly and patiently tried to get Mr D back on track with multiple repayment plans, which he broke. And it gave him more back in interest and charges than it had actually charged.

So I find that TSB didn't do anything wrong.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 11 July 2016.

Belinda Knight
ombudsman