

complaint

Mr D complains that TSB Bank plc increased his cash withdrawal limit without notifying him and he'd like TSB to reinstate the lower cash withdrawal limit he previously agreed.

background

Mr D explained that he had previously agreed a daily cash withdrawal limit of £50 to help him manage his finances and as a preventative measure to help with his gambling problem. Following TSB upgrading its systems, Mr D says TSB increased his daily cash withdrawal limit to £500 and he says that as a result he was able to make three cash withdrawals in excess of £50 and this caused financial difficulties. The cash withdrawal limit was later lowered to £300 and Mr D says he wasn't notified of this.

Mr D made an earlier complaint to TSB about the increase to the cash withdrawal fee. TSB apologised and it explained that the cash withdrawal limit was increased for all customers to ensure they were able to access their funds following TSB's systems upgrade. It offered £50 to cover Mr D's expenses and £100 for the distress and inconvenience caused and it invited Mr D to contact TSB if he wanted his limit to be reduced.

TSB didn't uphold Mr D's current complaint. It issued a final response letter in April 2019 in which it repeated that it had increased the daily cash withdrawal limit for all its customers to £500 to allow them to manage their cash flow during TSB's systems upgrade. And it made a business decision to later reduce this to £300. It said there was no mass communication with regard to the increase or decrease in withdrawal limits as this was a business decision to help all its customers.

TSB also said that although Mr D's complaint was that he was able to withdraw more cash than he would have liked, it noted that Mr D also made electronic transactions and these weren't affected by the increase to the cash withdrawal limit. It also explained that Mr D had declined TSB's offer to refer him to its customer support unit and other organisations for further help.

Unhappy with TSB's response Mr D asked our service to look at his complaint. Our investigator thought TSB had given Mr D incorrect information when it said he could contact TSB if he wanted to reduce his cash withdrawal limit - because TSB later told our service that although Mr D's limit would in time be reduced to the standard limit for that type of account, TSB confirmed it wasn't possible to reduce his limit to £50. Our investigator thought TSB's offer of £50 for expenses and £100 for the inconvenience caused was fair based on the impact this had on Mr D but given Mr D's circumstances they thought the increase in the cash withdrawal limit might not be suitable for him. Our investigator recommended that should Mr D decide to bank elsewhere, TSB should pay Mr D further compensation of £100.

Mr D disagrees with the investigator's view. He doesn't think the additional £100 compensation recommended by the investigator is sufficient because his account is now overdrawn and he's incurred interest and bank charges. Our investigator explained that the overdraft and charges were down to the way he managed his account and she couldn't comment further on this as this didn't form part of Mr D's original complaint to TSB.

I recently issued my provisional decision. In that decision I explained why I thought the complaint should be upheld and the reasons why I thought the offer already made by TSB to pay £50 to cover Mr D's expenses and £100 for the distress and inconvenience caused was fair and reasonable. In my provisional decision I said:

"I must firstly explain that this decision only deals with Mr D's complaint about TSB changing Mr D's cash withdrawal limit. Mr D has also complained about gambling transactions made using his credit card but I understand that this part of his complaint has been dealt with as a separate complaint.

Mr D also raised concerns about his overdraft and interest and charges applied but the investigator has already explained that if Mr D remains unhappy with this he will need to raise a new complaint with TSB and give it the chance to investigate as these issues weren't raised as part of this current complaint.

Mr D's complaint is about the fairness of TSB's decision to increase his cash withdrawal limit. TSB made a commercial decision to increase - and later reduce - the cash withdrawal limit for all of its customers, not just Mr D. Our service can't interfere in commercial decisions made by a financial business. But we can comment on whether a particular customer was treated fairly by this commercial decision.

I can see that TSB told Mr D he could ask for his cash withdrawal limit to be reduced. TSB has since told our service that it can't reduce his cash withdrawal limit back to £50. I don't think TSB treated Mr D fairly here but it's not generally within our powers to require TSB to change its processes and to require it to reinstate Mr D's £50 cash withdrawal limit but I will look at the impact this had on Mr D.

Based on the reasons why Mr D says he agreed a cash withdrawal limit of £50 I can see that this account may no longer be appropriate for him. However, I don't agree that it would be appropriate to compensate Mr D with further compensation of £100 as the investigator suggested should Mr D decide to change banks. I say this because I can only consider the actual impact this has had on Mr D. Here Mr D's loss is speculative because I haven't seen anything to suggest he has actually changed banks or that he's incurred a financial loss as a result of doing so.

It's not in dispute that Mr D's credit limit was increased from £50 to £500 and that it was later reduced to £300 without prior notification. I've looked at Mr D's statements and I can see he was able to make the three cash withdrawals he complained to TSB about and which were in excess of the £50 cash withdrawal limit he'd previously agreed.

I accept that increasing Mr D's cash withdrawal limit might have made it easier for him to withdraw more cash than would otherwise have been the case, but I'm not satisfied that the situation Mr D finds himself in is entirely due to TSB increasing the daily cash withdrawal limit. I say this because even if Mr D's £50 cash withdrawal limit had remained in place I have no way of knowing whether Mr D might still have found himself in the same position - for example by withdrawing cash in smaller amounts over a greater number of days or by making a withdrawal in branch. In addition, I can also see from Mr D's statement that he made a number of electronic payments as these weren't affected by the increase to the cash withdrawal limit.

Whilst I'm sympathetic to the position Mr D finds himself in, for the reasons I've explained above I think the offer already made by TSB to pay £50 to cover Mr D's expenses and £100 for the distress and inconvenience caused is fair and reasonable in the circumstances having regard to the impact this had on Mr D."

For the above reasons my provisional decision was that TSB should pay Mr D £150 to the extent it had not already done so.

I invited both parties to let me have any further submissions before I reached a final decision. Following my provisional decision TSB replied to confirm it had already paid £150 into Mr D's account in February 2019. Mr D also replied to my provisional decision and confirmed that he would like to accept it.

my findings

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

I explained in my provisional decision why I thought TSB's offer of £150 was fair and reasonable. TSB has provided information to our service to confirm it credited Mr D's account with £150 compensation in February 2019 so I do not require TSB to do anything further to settle this complaint.

my final decision

My final decision is that I partly uphold this complaint but I do not require TSB Bank plc to do anything further to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 27 April 2021.

Michelle Hayward
ombudsman