

The complaint

Mrs R is unhappy with TSB Bank Plc (TSB). Mrs R said that she went to her TSB bank branch because she wanted to open a 3 year fixed rate ISA. But Mrs R said instead TSB opened a 3 year fixed rate bond for her. Mrs R wants TSB to move her money into the ISA.

What happened

There were some discussions between Mrs R and a member of staff in the branch about her savings. Apparently, these discussions talked over the options available, and the adviser ended up opening some Spend and Save savings pots for Mrs R. Once this had been arranged Mrs R went away to think about the options available to her.

Mrs R said that when she went back it was to open the ISA whereas TSB said she'd decided to take out a fixed rate bond. A little while after the bond had been completed Mrs R contacted TSB and said this wasn't the product she wanted. She said she had asked for the ISA and instead TSB had given her the bond. TSB said it had given Mrs R the product she had requested. But it did accept when she had complained about TSB not following its correct complaint handling process. So, TSB offered Mrs R £40 compensation for any distress and inconvenience caused. As Mrs R remained unhappy, she brought her complaint to this service.

Our investigator didn't uphold the complaint. She said TSB provide customers with information and the customer chooses the product they want. She noted that the bond provided a higher rate of interest to the ISA. Our investigator said Mrs R had signed the agreement for the bond. So, she didn't think TSB had done anything wrong.

Mrs R didn't accept this and asked for her complaint to be passed to an ombudsman for a final decision.

What I've decided – and why

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

Mrs R is adamant that she only ever wanted to take out an ISA. She said she didn't want to lose out on her tax relief allowances. Mrs R said she had mistakenly signed the form for a bond. But Mrs R said she was only given the paperwork that confirmed it was a bond after she had signed for it. However, Mrs R did accept the completed paperwork did clearly show that the product was a bond.

Mrs R didn't think TSB had been clear enough about the bond being set up. She said she had been clear all along that she wanted an ISA.

TSB said when Mrs R came back after going away to think about her options she had decided to take the fixed rate bond, which was at a better rate. The adviser Mrs R had seen originally when the savings pots had been set up was working on the counter so asked another colleague to open the bond Mrs R requested. TSB said during the discussions as far

as it was aware Mrs R understood everything and knew what had been set up. It said, *“Full scripting is read to our customers regarding the product selected and the staff who interviewed Mrs R confirmed the correct process was followed and we have signed terms and conditions”*.

Looking at the documents Mrs R signed it says at the top of page 1 of 2 *“Welcome to your new Fixed Rate Bond”*. I understand Mrs R accepts she signed but said she didn't see that it was a bond until later. The details of it being a bond is the heading and in larger print than the rest of the text. So, I don't think the documents are unclear or misleading.

In terms of Mrs R's request to change back to the ISA TSB confirmed the fixed rate bond didn't have a cooling off period and is closed for withdrawals the day it is set up. TSB also notified Mrs R that her existing cash ISA was still open, but funds couldn't be transferred from the bond. Although I can understand how disappointing this is for Mrs R I don't think TSB did anything wrong. I think it acted fairly and reasonably in dealing with the issue and attempting to resolve it.

TSB did accept that it had incorrectly advised Mrs R to raise a complaint herself when it should have done it for her. Due to the inconvenience and not following its own complaint handling process TSB offered Mrs R £40. I can't comment on this issue. This isn't about a financial service. This is about the way TSB dealt with the complaint.

My final decision

I don't uphold this complaint.

I make no award against TSB Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 1 November 2023.

John Quinlan
Ombudsman