

The complaint

Mr and Mrs H complain that TSB Bank plc didn't explain entries on their statement after they repaid their mortgage, despite several requests. They ask that it provides an explanation and pays £100 compensation for the trouble they were put to.

What happened

Mr H wrote to TSB in September 2022 and November 2022 asking it to explain entries on their mortgage statement. He asked that where an entry results in a debit from the mortgage account TSB explain where that was specified in the original mortgage agreement. He says he didn't receive a response.

Our investigator contacted TSB which then sent the requested information to Mr and Mrs H. TSB enclosed a cheque for £150 for not replying sooner. Our investigator said this had fairly resolved the complaint.

Mr H didn't agree. He said TSB hadn't fully addressed the issues he'd raised, provided an excerpt from the terms and conditions showing the charges applied, explained why his letters were ignored or apologised to him.

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.

Mr H wrote to TSB asking for information about entries on his mortgage statement. Mr H says he sent them by "Royal Mail signed for" so it seems likely they were delivered to TSB.

TSB didn't have a record of receiving the letters and can't explain what happened to them. TSB's letter of 2 October 2023 says "Firstly, please accept my sincere apologies for your letters of 20 September and 9 November 2022 not being addressed in a timely manner". It had already sent a cheque for £150 to Mr and Mrs H.

I think TSB did apologise to Mr and Mrs H for not responding sooner to Mr H's letters.

After our investigator contacted TSB it wrote to Mr and Mrs H explaining the entries on their account from 31 January 2022 to 23 February 2022, when the mortgage was repaid. It refunded £0.03. It said the £0.03 discrepancy was due to rounding.

Mr H wasn't satisfied, saying he'd asked for an explanation of each of the entries dated 23 February 2022 titled "REWORK DEBIT to "RDN REFUND, and where each of these was specified in the original mortgage agreement.

TSB wrote to Mr and Mrs H with a further explanation. It said it received a payment of £800 from Mr and Mrs H on 18 February 2022. It told Mr and Mrs H it needed to apply the payment in accordance with the intended use. The intended use here was to redeem the mortgage.

TSB said in order to do this, it reversed the £800 payment (this entry is titled "REWORK DEBIT"). Part of this was used to pay the closing administration charge. The remainder was re-applied as redemption funds (this entry is titled "RDN REFUND"). There was a surplus which was refunded to Mr and Mrs H.

TSB said it wasn't reasonable to expect all transactions used to close a mortgage to be included in the mortgage agreement. I agree.

Only one charge was applied to Mr and Mrs H's account on 23 February 2022. This was the closing administration charge of £225.

The mortgage offer dated March 2006 sets out this charge and says it is payable when the mortgage is repaid in full. This is set out under "What fees must you pay?" on page 3 of the mortgage offer. Mr and Mrs H accepted the mortgage offer, and this forms part of their mortgage contract.

TSB included a copy of the mortgage offer with its letter to Mr and Mrs H. So I think it did provide a copy of the relevant part of their mortgage agreement that related to the charge.

The other entries on 23 February 2022 were made, as TSB explained, to re-apply the payment made by Mr and Mrs H in accordance with its intended use. TSB provided simple calculations to show that the payment made by Mr and Mrs H balanced with the amount owed and the refund it had made. I think TSB provided a clear explanation of these entries.

I don't think it's fair and reasonable to require TSB to take any further steps in relation to this complaint.

My final decision

My decision is that TSB Bank plc has taken fair and reasonable steps to resolve this complaint I'm not ordering it to do more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 5 January 2024.

Ruth Stevenson
Ombudsman