

The complaint

Mr S complains about the service he received when TSB Bank plc rejected his application for a bank account.

What happened

I issued my provisional decision on 4 November 2023, and this is what I said:

I've considered the relevant information about this complaint.

Based on what I've seen so far, there will be a different outcome to what our investigator proposed. Before I issue my final decision, I wanted to give everyone a chance to reply.

I'll look at any more comments and evidence that I get by 20 November 2023. But unless the information changes my mind, my final decision is likely to be along the following lines.

The complaint

Mr S complains about the service he received when TSB Bank plc rejected his application for a bank account.

What happened

On 8 February 2023, Mr S used TSB on-line services to apply for a bank account.

The following day Mr S received an account welcome message and text alerts, so he thought that his application was successful. However, he was subsequently informed that his account was closed. Mr S then applied a second time as he thought this would enable him to provide identity information, but this was also denied.

Mr S explains that he is "disabled / autistic" and following a TSB message which said, "If you would still like to apply for one of our current accounts, you can reapply in branch after 2 working days", he describes making a difficult 24 mile round trip to his nearest branch only to find "the staff at the branch were incredibly rude and told me I was banned for life without reason."

As Mr S made two applications both were recorded as rejects with Credit Reference Agencies (CRA).

Mr S complained to TSB. TSB explained that after initial checks to open an account they occasionally carry out further compliance checks and they may decline an application altogether or request a customer visit a branch with identification and proof of address to complete their application. In their complaint response TSB said "there are some areas where we have made mistakes" but they didn't expand on this.

Mr S complained to our service. Our investigator upheld his complaint and recommended TSB pay Mr S £100 compensation. This is because she thought the automated texts were confusing and that the TSB branch representative provided incorrect information that would've been worrying for Mr S. She also said TSB should remove the CRA marker for the second rejected application.

TSB agreed to this outcome. However, Mr S is deeply concerned about the events. He is upset by TSB's behaviour and feels that an "underlying bigger issue has not been disclosed"

and he is being discriminated against. He also feels the amount of compensation is insufficient and is concerned by negative CRA markers.

When gathering evidence, TSB informed our investigator that they made an error rejecting his first application. Also, Mr S supplied a recording, which he made without consent, of a conversation he had at the TSB branch he visited. The TSB representative was a manager. She recognised the conversation and said she wasn't aware that she was being recorded.

As Mr S remains dissatisfied this case has been referred to me to look at.

What I've provisionally 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.

Having done so, I'm also upholding this complaint but increasing the amount of compensation. I will explain how I have come to my decision.

Regarding Mr S's concern that information hasn't been disclosed to him, our investigator has explained her reasoning and it is Mr S's prerogative to make subject access requests. Also, our service doesn't have powers to interrogate business systems or records for additional information.

We do though have a mandate to resolve complaints in an informal way, asking both parties to submit their evidence and arguments to enable a decision based on the submissions presented.

Also, I can't tell a business to make alterations to their systems, services, procedures or processes. I also can't instruct them to give Mr S a bank account. I say this because we aren't the regulator of the financial services industry. Furthermore, it's not for this service to judge whether TSB have breached the Equality Act here, as that's an issue for the courts. But I can take into account any relevant law and wider industry practice when deciding whether TSB treated Mr S fairly and reasonably in the circumstances of this complaint. TSB said they "feel there are some areas where we have made mistakes" and apologised for inconvenience. However, they didn't offer any compensation and there is a lack of clarity about what mistakes they are referring to.

From reviewing the file, although it wasn't mentioned in their final response letter to Mr S, TSB do not dispute that they made a mistake rejecting Mr S's application. Before considering a fair and reasonable amount of compensation for this mistake, in order to understand the full impact on Mr S, who explained he is disabled / autistic, I looked at TSB's messaging (described by Mr S), whether Mr S had another bank account, Mr S's branch visit and information that would've been sent to CRA's.

Although TSB have the right to decline an account without explanation, I could understand Mr S's confusion when, after being told his account failed, he subsequently received automatic messages saying his account was set up. I could also understand why Mr S re-applied and, despite the physical difficulties he describes, why he felt it was necessary to visit a branch. This is because the system messages indicated there was an identity issue and the following message indicated a branch visit was necessary for him to get the account he was seeking:

"If you would still like to apply for one of our current accounts, you can reapply in branch after 2 working days."

So, even if TSB had correctly rejected Mr S's application, I found that the automated messages would've caused confusion. The fact that TSB shouldn't have rejected his application led to Mr S, who describes characteristics that the Financial Conduct Authority

considerers to be indicators of vulnerability, making an unnecessary journey.

There is a lack of information about Mr S's visit to the branch and the only evidence is a short recording which Mr S took without consent. Although it's not possible to know whether there were longer or additional conversations, I took this recording into consideration as the TSB representative recognised the conversation and has provided comments.

I didn't find the representative to be rude and I didn't interpret her comments as saying Mr S 'was banned for life'. However, whilst I appreciate this may not have been the full conversation, I could understand why Mr S questions the representative's behaviour and left the branch feeling worried and concerned. This is because the representative's responses to re-application questions indicated he couldn't apply to the TSB again. For example, in response to Mr S's question "when can I apply again?" she says, "not here at TSB", "you can try another bank", "you won't be able to apply". Also, when Mr S tried to summarise his position and confirm what he was hearing and said, "so I'm definitely not going to be able to bank with TSB for rest of life" the manager responded by saying "yes".

I recognise that this may have only been part of a conversation and acknowledge that Mr S was pressing for answers and the representative quantified her comments were based on her experience saying, "this may happen again". But I could understand Mr S's interpretation here.

Also, the representative didn't appear to have any direct information and said, 'we don't get told anything here'. So, although the evidence here is limited and the representative offered a telephone number, I can also understand why Mr S felt he received poor service, questions the behaviour of the representative and believes TSB don't want him as a customer.

Furthermore, as stated above, Mr S felt compelled to visit the branch and having taken the time and trouble to make a journey, that I'm persuaded was difficult for him due to his vulnerability, his experience was only necessary due to TSB's mistake.

So, having considered all the information on file, I think TSB have made mistakes here.

Although I can't see that they've discriminated against Mr S, they incorrectly rejected Mr S's application and provided communications (including to CRA's) and service which caused Mr S inconvenience, distress and a loss of confidence.

Also, Mr S's distress has continued here as he is still concerned about CRA's having received information from TSB that he has had two bank account applications rejected.

So, my provisional decision is that TSB should pay Mr S £300 in compensation. Also, they should reverse the information that Mr S had two bank account applications rejected.

My provisional decision

For the reasons I've given above, it's my provisional decision to uphold this complaint.

I require TSB Bank plc, to pay Mr S £300 compensation. Also, they should reverse the information that Mr S has had two bank account applications rejected.

I'll look at anything else anyone wants to give me – so long as I get it before 20 November 2023.

Unless that information changes my mind, my final decision is likely to be as I've set out above.

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.

In my provisional decision, I gave both parties the opportunity to provide any comments or new information they might wish me to consider before I moved to a final decision.

Mr S stated that a greater amount of compensation would more accurately reflect the distress and inconvenience he experienced however he accepted the decision.

TSB also accepted the decision. They said they didn't agree with some of my thoughts but acknowledged "there are areas where we have let the customer down, when we have provided him with conflicting/confusing information, and I am very sorry for the upset and inconvenience caused to Mr S".

I went back to TSB so I could understand and then consider any points they disagreed with. Also, to check they understood I was requiring them to remove both markers.

TSB questioned the evidential weighting I had applied to a conversation recorded without consent. So, I again listened to the recording and read the file note detailing the manager's reaction.

I did bear in mind that it was an unauthorised recording and I therefore exercised caution. I thought it was likely to have only been a selected part of the conversation and that Mr S was probing and repeating the same questions, but I think that was because he was shocked, wanted answers and was looking to take matters further. However, although I think Mr S should've said he was recording the conversation, I remain satisfied that the manager's file note corroborated Mr S attending the branch to speak to TSB, the finality of their refusal decision and his interpretation.

I then reconsidered everything again including the compensation amount. However, as there isn't any more information about the impact or any other questions, I see no reason to depart from my provisional decision, which I adopt in full as part of this final decision.

So, my final decision is that I uphold this complaint and TSB should pay Mr S £300 in compensation. Also, they should reverse the information provided to CRA's that Mr S had two bank account applications rejected.

My final decision

My final decision is that I uphold this complaint and I require TSB Bank plc to:

- Pay Mr S £300 in compensation
- Reverse the information provided to CRA's that Mr S had two bank account applications rejected.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 January 2024.

Paul Douglas
Ombudsman