

The complaint

Ms T complains that TSB Bank plc ("TSB") wouldn't remove her name from a joint account without the overdraft being paid off and the other party's consent. She says this negatively impacted her both personally and financially and wants a refund of all the overdraft charges applied to the account from February 2018.

What happened

Mr and Ms T held sole accounts with overdraft facilities with TSB that became joint accounts in November 2014.

Following a breakdown in the relationship in February 2018 Ms T says she had a meeting at her local branch of TSB where she opened a separate account. Ms T says she wanted to have the overdraft transferred over from the joint account ending 6368 to her sole account as it was before. She wished to have financial independence as she says she was the victim of domestic abuse.

Ms T says she was told this wasn't possible as the overdrafts needed to be paid off and that the other party would need to consent to remove both overdrafts and closing both accounts.

TSB has confirmed that Ms T visited a branch and opened a sole account in her name and agrees that it could not have removed either party from the joint accounts while they were overdrawn. It says if there had been a clear discussion about domestic abuse, it's more than likely it would have put the accounts in dispute but that this didn't happen. Instead, TSB says a note on its system said both joint accounts were to be closed shortly, so it is possible the accounts were left as they were to make the process easier. TSB says that it wasn't possible to remove a party from a joint account without consent until 2021.

The bank statements show that in June 2018 a transfer was made of £2,500 into joint account ending 6368 which cleared the overdraft, but TSB did not receive a request to close the account or for Ms T's name to be removed. Ms T continued to use this account and Mr did not.

In January 2021 Ms T applied for an overdraft online and was declined. Following this TSB said it could close the joint account ending 6368 and have Ms T removed from the other joint account without Mr's authorisation providing she paid off the overdraft on account ending 6368. Ms T says she borrowed money to do this and the account was closed without Mr's consent but he was notified about what had been done.

Ms T complains she was left with a £2,000 overdraft to pay off on the joint account ending 6368 and that the charges on the account caused her financial difficulty. Ms T wants a refund of all the charges for the overdraft and interest from February 2018 until closure.

One of our adjudicators looked into Ms T's concerns and reached the conclusion that we couldn't look into her complaint regarding the poor customer service she received as it had been referred to us too late. And they didn't think TSB had acted unfairly in applying charges to the joint account as they didn't think there were any signs of financial difficulty especially as Ms T had access to funds that could've been used to clear the overdraft or significantly reduce it.

Ms T disagreed. She says she couldn't pay off the overdraft and close the account as she was concerned her ex partner would withdraw the money once the overdraft was paid off. Ms T has asked for an ombudsman's decision.

Why we can only look at part of Ms T's complaint

I can't look at all the complaints referred to me. The rules applying to this service say that – where a business doesn't agree – I can't look into a complaint if it's been referred to us more than six months after the business sends the consumer its final response letter, telling them they can refer their complaint to us. This is Dispute Resolution rule 2.8.2R(1) – and it can be found online in the Financial Conduct Authority's handbook.

Ms T has previously raised complaints surrounding the customer service she received from TSB surrounding an overdraft application. One of these complaints was settled over the phone and TSB issued a final response letter to the other complaint on 12 February 2021. TSB say its final response to these complaints included the referral rights setting out the six month time limit. This means Ms T had until August 2021 to refer these matters to the service. But didn't do so until November 2022. So I conclude these complaints were referred to us out of time under the rules that I have to apply.

I'm allowed to investigate complaints referred outside of the time limit if I'm satisfied the delay was due to exceptional circumstances. But having considered all Ms T has said I haven't seen anything which I think would've prevented her from bringing her complaint sooner if she'd chosen to do so. So I don't think that exceptional circumstances apply here. And as such my decision is I'm unable to look into Ms T's complaint regarding her overdraft application and poor customer service she received in 2021.

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.

I hope that Ms T won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Ms T's complaint is that TSB wouldn't remove her or Mr's name from a joint account ending 6368 without the overdraft being paid off or without his consent. And that the overdraft charges applied to the account caused her financial difficulty and were unfair given her circumstances.

It might help if I explain that my role here is to look at the problems Ms T has experienced and see if TSB has done anything wrong. If it has, I would seek – if possible - to put Ms T back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

Ms T is unhappy that TSB wouldn't remove her name from account ending 6368 without the overdraft being paid off and wouldn't take Mr's name off without his consent.

Firstly, I wouldn't expect a bank to remove a joint party's name from an account without the overdraft being paid off as it is a debt that both the parties to the account are joint and severally liable for. So I don't think it would be fair to ask TSB to remove a party from the account which would result in it only being able to pursue one party to a debt that was incurred jointly.

And from what I've seen it appears that the overdraft was paid off in June 2018 and Ms T could have then approached TSB to have her name taken off the account with the other party's consent, or stopped using the account, but for reasons that are unclear this didn't happen. Instead, she carried on using the account and overdraft facility. So I don't think there has been an error on TSB's part here and I don't think Ms T has been treated unfairly.

Ms T complains about the interest and charges incurred on the overdraft on account ending 6368 when she was in difficult financial circumstances. TSB won't have acted fairly and reasonably towards Ms T if it applied any interest, fees and charges to the account in circumstances where it was aware, or it ought fairly and reasonably to have been aware Ms T was experiencing financial difficulty.

So I've considered whether there were instances where TSB didn't treat Ms T fairly and reasonably. I don't think that TSB did treat Ms T unfairly or unreasonably here though. I say this because having looked at Ms T's statements I don't think there was enough to suggest that TSB ought to have realised she might have been experiencing financial difficulty.

As already stated above the overdraft was cleared in June 2018 and Ms T could've at that point stopped using the overdraft facility but this didn't happen. Instead, Ms T carried on using the account and overdraft facility.

Ms T may argue her regular use of her overdraft was in itself an indication that she was struggling. But while I'm not seeking to make retrospective value judgements over Ms T's expenditure, nonetheless there are significant amounts of non-committed, non-contractual and discretionary transactions – in particular regular spending on retail, takeout and other leisure activities. It is also noteworthy the account was kept within its limit and was often at the lower end of it.

There were regular credits into the account and often large amounts were transferred out. And Ms T had access to money in other accounts which she could've used to bring the overdraft down or pay it off. I accept this doesn't necessarily mean that Ms T wasn't experiencing financial difficulty. But there isn't enough on the bank statements themselves which ought to have alerted TSB to any potential financial difficulty.

So, in these circumstances I don't think that it was unreasonable for TSB to proceed with adding the interest, fees and charges it did in light of how Ms T's account was being used.

So taking everything into consideration I don't think TSB treated Ms T unfairly or unreasonably which means that I'm not upholding this complaint.

My final decision

For the reasons I've explained, I do not uphold Ms T's complaint against TSB Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 17 August 2023.

Caroline Davies
Ombudsman