

The complaint

Ms G complains that TSB Bank PLC (TSB) provided poor service during a current account switch she made to them. And as a result, her previous account with another provider (who I'll call A) was closed unnecessarily meaning she lost the associated benefits, and TSB didn't pay her a switching incentive payment.

What happened

At the end of September 2023, Ms G applied online with TSB to switch her current account from A to TSB. The switch was successfully completed however, her account with A was closed which Ms G didn't agree to. As the account with A was a packaged bank account, she lost the associated benefits including an overdraft facility and the closure impacted some of her standing order payments.

Ms G complained to TSB also mentioning that she hadn't received the advertised switching incentive payment, that an overdraft had not been applied to the new TSB account and, and insufficient information about the switch had been provided to her. TSB investigated the complaint and didn't uphold all aspects but did say there were some areas where they had made mistakes, namely a day on which Ms G had to wait longer than necessary for her telephone call to be answered. They arranged to credit £25 to Ms G's account as compensation for the distress and inconvenience Ms G had experienced.

Dissatisfied, Ms G brought her complaint to our service.

Our investigator didn't recommend that the complaint be upheld. They said Ms G was provided with sufficient information upfront by TSB about the switching service which covered the fact the account with A would close, and that an overdraft would not be automatically applied. They also said that as Ms G didn't fulfil all the requirements to prompt the incentive payment to be paid, TSB had not made any errors.

Ms G disagreed with this outcome and requested an ombudsman review her complaint.

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've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, and while I recognise this will come as a disappointment to Ms G, I have decided not to uphold her complaint for broadly the same reasons as the investigator.

As part of my considerations, I cannot ignore that Ms G voluntarily actioned and signed up for the account switch which would have meant reading and acknowledging important information about the account and switching service that TSB made available.

Within that information were the terms and conditions which form the basis of a financial contract and which our service cannot influence as we are complaint handlers, not the regulator. The regulator requires businesses to provide customers with information that is clear and not misleading to enable customers to make an informed choice about financial products. I'm satisfied that TSB's terms and conditions for the account switch are sufficiently clear. And that TSB required Ms G to confirm that she had read and understood them.

In terms of the closure of the account with A that Ms G says she wasn't aware of, I've seen that TSB's website states the previous bank account will automatically close as part of the seven-day switching process. It does also say that if the customer wants to keep their previous account open, they could use what they call the Payment Transfer Service to move any payments they wanted to their new TSB account but that could only be done at a TSB branch. And I've not seen anything to indicate that Ms G followed these instructions to keep her account with A open.

I also wanted to address the switching incentive payment which Ms G complains she did not receive. TSB said it was not paid as Ms G did not make the requisite debit card payment within a prescribed timescale. Having reviewed the eligibility criteria for the payment, it was made clear that an important criterion to be met was making a debit card payment by 31 October 2023. I've seen evidence that a debit card was issued and sent to Ms G's home address on 2 October 2023 and as it wasn't reported as not received or lost, Ms G had sufficient time to make a payment. Ms G is unhappy that TSB didn't mention this criterion within any phone calls she made to them, but they treated her fairly by ensuring it was mentioned clearly within the switching offer details.

In a response to our investigator's view, Ms G mentioned her very difficult personal circumstances and disadvantages. I am sorry to learn about this and would respectfully suggest that she asks a trusted friend or family member for support when faced with any other processes like this.

Ms G is unhappy that she lost her overdraft facility with A when the account was closed, and that TSB have declined a subsequent overdraft application with them. But as our investigator said, TSB have a lending policy and are entitled to use multiple factors in their commercial decisions so I can't say TSB haven't been fair.

In summary, the fact remains that Ms G clicked through, and accepted all the relevant information for the account switch including the closure with A, and the criteria to qualify for the incentive payment. It's vital that customers who commit to things online are 100% clear on what they're committing to, prior to clicking and agreeing to a service.

While Ms G is likely to be unhappy with my decision, taking everything into account I think TSB have acted fairly and reasonably in the information they provided, and how they treated Ms G.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 1 May 2024.

Chris Blamires
Ombudsman

