

## **The complaint**

Mr F complains that TSB Bank plc won't allow him to partially settle a loan with funds he mistakenly sent to a friend.

## **What happened**

Mr F took out a loan for £25,000 with TSB. He meant to send £1,500 to a friend but he accidentally sent them £15,000. Shortly after his friend's account was blocked. He says TSB have refused to get the money back for him which could be used to partially settle his loan or to reduce his loan balance. Mr F says TSB won't allow him to partially settle the loan with this money. Mr F made a complaint to TSB.

TSB did not uphold Mr F's complaint. They said that he had an ongoing complaint at our service in relation to his personal loans and the issues he had accessing the funds, so they were unable to comment on this. TSB said he currently had an interest freeze repayment plan set up for both loans, and they couldn't find any evidence of a request for a partial settlement or a discussion about this. Mr F brought his complaint to our service.

Our investigator did not uphold Mr F's complaint. She said that she couldn't see that Mr F had asked TSB to partially settle his loan. She said Mr F had another complaint with our service about TSB returning the funds but as this issue was dealt with under a separate complaint she was unable to comment on it. Mr F asked for an ombudsman to review his complaint. He said he told TSB on several occasions that they could settle the loan with the £15,000 that they were holding.

## **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 must make it clear to Mr F at the outset that I'm unable to look at TSB transferring the £15,000 payment back to him as this was part of a separate complaint that he brought to our service.

I have looked through the collection notes which Mr F has had with TSB. I can see that on one of these call notes he asked TSB on 30 December 2022 to reverse the payment from his friend's account so that he would pay the loan. While I can't comment on TSB not reversing the payment, Mr F didn't have those funds in his possession for TSB to either use this money to reduce the loan balance or to partially settle the loan, so TSB were not required to take this action, even if Mr F feels they should use this money to reduce the loan balance/partially settle his loan.

Mr F may be able to make TSB an offer to partially settle the loan with any funds he has in accounts in his name, but this would be a decision for TSB to consider whether they accept any offer. As the loan agreement between Mr F and TSB would set out his contractual payments and they paid him the loan funds originally, then Mr F would be required to repay the funds back to TSB. So I am unable to instruct them to use funds which aren't currently in

Mr F's name to reduce the outstanding balance or partially settle his loan. So it follows I don't require TSB to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 19 October 2023.

Gregory Sloanes  
**Ombudsman**