

The complaint

Miss L complains that TSB Bank plc failed to complete the switching of her account properly so she didn't get the switching incentive. And that it subsequently closed her accounts.

What happened

On 18 February 2023 Miss L opened an account with TSB. Then, after speaking to an adviser she decided to go ahead with the switching procedure and she completed an online form for this on or about 27 March 2023. If she fulfilled the criteria for switching she would have been entitled to a £125 switching incentive. She subsequently started querying with TSB about this and in particular why she didn't receive the switching incentive. In several phone calls with TSB she was told she hadn't fulfilled the criteria but as she wanted to speak to a manager the matter couldn't progress.

Miss L eventually managed to speak to a manager on 25 April 2023 and it was explained to her that the full switching process couldn't take place because the form hadn't been filled in correctly. She was told that an SMS message had been sent to her about this but she said she hadn't received it.

Miss L received a final response letter in respect of her complaint on 10 May 2023. The letter explained that there was no record of TSB having received her switching application and warned her of her conduct in the calls to its staff. Following a further call from Miss L, TSB wrote to her on 30 May 2023 to advise that it was closing her accounts with two months' notice.

On referral to the Financial Ombudsman Service, our Investigator said that as Miss L had called on multiple occasions and was not told until she spoke to a manager on 25 April about the incorrectly completed form, TSB should pay her £100 for the distress and inconvenience suffered.

Miss L did not agree and felt that she had spent a lot of time on phone calls and missed out on the incentive because of TSB.

I issued a provisional decision. In it I said I thought that if Miss L's complaint had been handled better she would most likely have been able to complete the full switching process and receive her incentive of £125. So TSB should pay this in addition to the £100 compensation.

TSB accepted my provisional findings.

Miss L said that the £200 offered was the amount she would have received as part of the switching incentive. She thought that she should receive further compensation for the stress and inconvenience caused to her.

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.

My provisional findings are set out below, in italics:

"I believe that it is clear that the reason the full switching of the account did not go through was because of the incorrectly completed form. Miss L says that she did not receive the SMS message which TSB said it had sent to her. While she says that it could have contacted her by e-mail or letter, I do think that an SMS message would be appropriate so long as the customer agreed to be contacted in that way.

I have listened to the recordings of all the phone calls provided by TSB. And I'm aware that Miss L had been calling TSB from about 30 March enquiring about the switch. I know she said she wanted to speak to a manager in several of those calls but it may well be if she had agreed to be transferred to the switching team the matter might have been sorted out. I do note that, having listened to the call of 25 April 2023 with the manager, the information about the form was found out by that manager making a call to the switching team.

I also think that Miss L's complaint could have been dealt with better. I am able to review the way the complaint was handled because it was all part of the overall issue about the switching. The final response letter of 10 May 2023 did not refer to the incorrectly completed form or the SMS message. Bearing in mind that when she went through her complaint with the manager she had asked that the calls be listened to, it does seem to me that the call of 25 April was not listened to. Instead the final response letter merely set out that TSB had received no switching application from Miss L. It did invite her to provide proof of the receipt of the switching application (and she was able to provide this to our Investigator), but I can understand it if Miss L felt she was being told that she'd lied about completing the application. TSB's complaint handler did not accept that an application had been made until the evidence of it had been produced through our Investigator. Then the handler went to the switching team to confirm what Miss L had previously been told by the manager on 25 April.

I can't do anything about TSB closing Miss L's accounts. As it explained to her, it can do this under the terms and conditions of the account and it doesn't have to give her a reason. I would assume however that it follows on from its letter to her of 12 May which referred to a telephone call on 11 May (which TSB hasn't been able to produce a recording of, only a note). I won't go into the details of that here.

I do think that Miss L was put to a lot of inconvenience in having to chase matters up and in particular having to spend a long time on calls to TSB. Whilst I understand that she didn't want to be put through to the switching service, she wasn't given call-backs and didn't manage to speak to a manager until 25 April. So I think she should be compensated for that. Our Investigator proposed that TSB pay £100 which I think is appropriate in the circumstances.

I do think however that if Miss L's complaint had been handled better she would most likely have been able to complete the full switching process and receive her incentive of £125. She may not have qualified for it on time limits according to the criteria but I think she should nevertheless be paid this.

TSB should pay Miss L £225 for the reasons set out in my findings above."

In respect of Miss L's comments, the switching incentive she would have received was £125 and if she accepts this decision she will be paid a further £100 to reflect the distress and inconvenience caused to her. I think that's fair and reasonable.

I note TSB's acceptance of my provisional findings.

I remain persuaded by my provisional findings, those findings are now final and form part of this final decision.

Putting things right

TSB should pay Miss L £225.

My final decision

I uphold the complaint and require TSB Bank plc to provide the remedy set out under “Putting things right” above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss L to accept or reject my decision before 3 January 2024.

Ray Lawley
Ombudsman