

## **The complaint**

S, a limited company, complains that TSB Bank plc failed to close its account when requested.

S has been represented in this complaint by its director, Mr B.

## **What happened**

In mid-October 2022 Mr B wrote to TSB to say he was dissatisfied with its handling of S's account and wished to close it. In the event, the account wasn't closed until February 2023, and then only after Mr B made a long journey to TSB's head office to hand-deliver the closure request.

TSB has apologised for the upset and inconvenience caused by the delay in closing the account. It's refunded £35 in charges which S paid after it asked to close the account, and it's offered to pay £100 to apologise for the inconvenience caused. It's also reimbursed Mr B's travel expenses for his visit to TSB's head office.

Mr B would like TSB to pay interest on the balance in S's account at TSB's unauthorised borrowing rate. He'd also like it to pay an hourly rate for the time he's spent trying to resolve the matter, a set fee per letter he wrote and a charge of £10 for each month he was unable to use the account.

One of our investigators considered the complaint. In summary, he thought what TSB had offered to resolve the complaint was fair, but he thought that it should also pay S interest on the balance in its account from a couple of weeks after S submitted the closure request until the account was closed.

TSB has said it accepts the investigator's view. But Mr B doesn't agree, so the complaint's been passed to me.

## **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.

Having done so, I've reached the same conclusion as the investigator, for similar reasons.

I'm aware that there are questions which Mr B would like to be answered to his satisfaction. The Financial Ombudsman Service is independent of complainants and the businesses they complain about. This means that we don't act for either party, take instructions from them or allow either party to direct the course of our investigations. Were we to do so, it would compromise our independence and impartiality.

While we take into account the submissions from both parties, it's ultimately up to us to decide what evidence we need in order to investigate a complaint and reach a decision. Further, the purpose of my decision is not to address every point raised in detail, but to set out my conclusions, and my reasons for reaching them.

Mr B believes that TSB should pay him an hourly rate for the time he's spent trying to resolve the situation and a fixed charge per letter he's written. He's also suggested that it would be appropriate for TSB to pay interest on the account balance at its unarranged borrowing rate, rather than the 8% recommended by our investigator.

But our approach to compensation is to put the complainant as far as is possible in the position they would have been but for the bank's error. We don't have the power to fine or punish financial businesses.

I consider interest at 8% to be fair to compensate S for the fact that it couldn't access the money in the account during the period leading up to the closure. And I consider it fair to calculate that interest from 1 November 2022, by which time I think TSB could reasonably have been expected to close the account, to the date when the account was eventually closed. I'm satisfied that TSB has already refunded all account charges applied to S's account during that period. So I can't reasonably require it to refund further charges.

I acknowledge that S was caused inconvenience by the delay in actioning the closure request. Mr B believes S should be compensated at an hourly rate. But in this sort of situation, we consider the overall impact the bank's errors had on the complainant, rather than an hourly rate. And I consider the £100 that TSB has offered to be fair. I note that TSB's system suggest that the £100 payment was rejected, but Mr B referred in a letter to this service to having received the £100 compensation. TSB may wish to clarify this with Mr B.

### **Putting things right**

To put things right, TSB should pay S:

- £100 to compensate S for the inconvenience it experienced due to the delay in closing the account, if this hasn't already been received by S; and
- Simple interest at 8% on the balance in S's account from 1 November 2022 to 9 February 2023.

**My final decision**

My decision is that I uphold this complaint. I require TSB Bank plc to put things right by doing as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 13 June 2024.

Juliet Collins  
**Ombudsman**