

The complaint

Miss G complained that TSB Bank plc:

- failed to prevent repeated fraudulent payments debiting her account, although she'd contacted TSB on multiple occasions;
- didn't refund her in line with promised timescales;
- stopped her card while she was abroad, so she had to rely on her partner to make purchases;
- didn't refund her for £112.32 call charges which she'd incurred when phoning from abroad.

What happened

In September 2023, Miss G reported fraudulent transactions on her account. She was told she'd receive a refund within a few days, and she'd also receive a new card. Miss G didn't receive the refund within the timescales, and had to chase for two weeks until she received the refund. She complained, and TSB paid her £30 compensation.

One of the September payments had been a £7.99 debit to an entertainment company. On 4 October, Miss G noticed that another £7.99 had been debited to her account the previous day. She rang TSB, and the adviser told her that this was a repeat payment, which nobody had stopped. He told her he'd refund her, and that he'd stopped it. Miss G asked if she'd still be able to use her card, as she was on her way to the airport and would be out of the country for some time. Miss G again didn't receive the refund when she'd been told she would.

Miss G, who was by then abroad, contacted TSB using its online form and chat, because phone charges would be high from abroad. TSB rang her back, but Miss G's phone company ended the call because of charges. She couldn't get through again to TSB using online forms or chat.

Miss G then tried to use her TSB card to withdraw cash, but it was declined. She couldn't use her own phone to make the call to TSB, but used her partner's phone, which cost £112.32. She spoke to several advisors, but the cash machine then retained her card, and she wasn't able to access cash.

TSB responded to Miss G's complaint on 1 November. It set out the complaint points as:

- the further debit to the entertainment company in October, even though she'd been told it was resolved;
- she hadn't been refunded by the date promised;
- issues around her card being blocked, leaving her without funds abroad; and
- she'd incurred significant call costs because TSB hadn't agreed to contact her by email while she was abroad.

TSB agreed its fraud department hadn't done enough to safeguard Miss G's account when she initially got in touch in September, as it hadn't removed the token which meant the recurring payment continued. TSB also said it had stopped the card because of the further fraud to the entertainment company, which was a security precaution. However, it accepted that its service had been poor, and it apologised that Miss G had been given incorrect

information about when the refund would be processed and that it hadn't emailed Miss G as she'd asked. TSB refunded her with the 3 October debit on 24 October, and paid her a further £100 for distress and inconvenience, making a total of £130. It asked Miss G to send evidence of expenses including her itemised phone bill.

There were further £7.99 debits to the entertainment company on 3 November and 3 December, even though Miss G had been told the repeat payments had been stopped.

When Miss G returned home from abroad, she went to her local branch on 6 December. She was told that the token for the repeat payments still hadn't been removed. The branch manager sorted this out, and Miss G didn't have any more repeat payments to the entertainment company. The next day, the November and December £7.99 debits were also refunded to Miss G's account. Miss G also filled up a form to claim a refund for the £112.32 phone call, which was refunded in January 2024.

Miss G wasn't satisfied with TSB's handling of her complaint, and contacted this service. As well as the points I've set out above, she added that she'd requested a Subject Access Report (SAR) as she'd been unhappy with the false and misleading advice which TSB had given her, but she said she'd never received this.

Our investigator upheld Miss G's complaint in part. She said that TSB had refunded Miss G for the disputed transactions, putting her back in the position she'd been in before the disputed transactions had happened. But TSB hadn't removed the token which had allowed the recurring £7.99 payments to continue, meaning that three more payments were taken after Miss G had reported the problem. The investigator said that although TSB had provided evidence that it had now removed the token, it had had a number of earlier opportunities to do so. If it had done so, the impact on Miss G would have been reduced, and wouldn't have impacted her when she was abroad. She'd also been told her funds would be protected and there wouldn't be any further debits – but there had been. And it would have been worrying to have the card cancelled when abroad.

The investigator noted that TSB had refunded the £112.32 call from abroad. Miss G had also said she'd had to use her partner's card, incurring charges because they were abroad. But the investigator pointed out that if Miss G had been able to use her TSB card, that too would have incurred non-sterling charges. So she didn't think TSB should refund charges on Miss G's partner's card.

The investigator concluded that TSB should pay Miss G a further £170 compensation. With the £130 it had already paid her, this would make a total of £300 compensation, in addition to the £112.32 call cost refund it had already paid her.

The investigator also clarified that this service couldn't consider Miss G's complaint that TSB hadn't dealt with her SAR request. That was because Miss G hadn't raised it in her complaint to TSB on 17 October, and she'd requested the SAR after that, on 27 October. The investigator explained that if Miss G wanted to complain about the SAR, she'd have to raise a complaint with TSB first.

Miss G didn't accept this. She sent a number of emails to the investigator setting out that she wasn't satisfied. In summary, she said:

- a total of £300 compensation was too low, because of the stress it had caused her and her partner, and she said the lack of trust she had with TSB as a result was unbelievable;
- she said the charges her partner had on his bank card were far higher than they would have been, because he'd had to withdraw double the amount of money as he was taking money out for her as well;

- she wasn't satisfied that this service couldn't consider her complaint about the SAR, and said that she believed TSB had broken the law. She said she was shocked that a legal matter was being pushed aside and not being taken seriously;
- she felt disappointed and overlooked, and was frustrated to know that a company could continually lie to their customer without any real repercussions.

Miss G asked for an ombudsman's decision.

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.

What this decision can and can't cover

First, I'll set out what this decision can and can't cover. This service is governed by rules, set by the Financial Conduct Authority (FCA). Among other things, these rules set out what we can and can't consider. These say that we can only consider a complaint where the complainant has previously taken the matter to the respondent bank and received its response. Here, as our investigator explained to Miss G, that means we don't have the legal authority to consider Miss G's complaint that TSB didn't respond to her Subject Access Request (SAR). Miss G raised her complaint about the other matters with TSB on 17 October. She asked for a SAR on 27 October. When TSB issued its final response to her 17 October complaint on 1 November, it had only been a couple of days since she'd first asked for a SAR, so there couldn't yet have been a complaint about not receiving it. So TSB's final response dated 1 November only covers the original complaint points – and this decision can't cover Miss G's SAR issue.

On another matter, there isn't a dispute about whether or not Miss G authorised the disputed payments. TSB accepted that she didn't, and refunded her. So the issue for me to consider relates to the amount of compensation which it would be fair and reasonable for TSB to pay Miss G.

How much compensation would it be fair and reasonable for TSB to pay Miss G?

I've looked carefully at the events and TSB's actions. It's clear that TSB didn't promptly remove the token which allowed the recurring payments to the entertainment company to continue. This was despite having told Miss G on several occasions that this had been done, when it hadn't. She was also told that no further debits would be made to her account, when this wasn't the case. Miss G says she lost trust in TSB because it lied to her. I think it's much more likely that TSB didn't act competently, rather than that it deliberately lied to Miss G. But the result was still that Miss G's account was repeatedly debited when she'd been assured it had all been sorted out and wouldn't happen again. The £7.99 amounts each month were small, but the principle was that TSB repeatedly failed to stop fraudulent debits, and I understand that this would have been stressful and frustrating for Miss G.

Miss G was also unhappy that her card was cancelled when she was abroad, meaning she couldn't use it. I understand that this would have been distressing, but it would be standard, and sensible, practice for banks to cancel cards which had been used for fraudulent transactions. I note that TSB did refund Miss G for the cost of her call to TSB from abroad, which cost £112.32.

Miss G believes that TSB should also refund the non-sterling charges which her partner incurred on his card for the money which he took out on her behalf, when her TSB card was

blocked. I don't agree that TSB need refund these. That's because if Miss G had been able to use her TSB card, she'd still have incurred non-sterling charges herself.

Miss G argued that a total of £300 compensation for TSB's service isn't enough, because of the stress she and her partner suffered. I can only take into account the impact on Miss G, because she was the sole account holder. I recognise that TSB's failure properly to cancel the recurring payment would have been stressful, because it repeatedly told her this would be done, and it wasn't. I've also taken into account that if it had sorted out the recurring payment straightaway, it would have been resolved before Miss G went abroad, which would have significantly reduced the stress she suffered. TSB didn't provide Miss G with a level of service she could have expected, on multiple occasions, and I consider that TSB's original suggested compensation of £130 doesn't adequately reflect the upset which was caused to Miss G.

I find that a fair and reasonable amount of compensation for TSB to pay Miss G would be £300 in total, of which TSB has already paid her £130. This reflects the fact that there were repeated small errors by TSB, requiring effort to sort out. The impact of the three £7.99 disputed payments lasted some weeks, and caused Miss G distress and inconvenience. Miss G can see on our website some other examples where this service has awarded this level of compensation. I find that a higher level of compensation wouldn't be fair or reasonable.

My final decision

My final decision is that I uphold this complaint in part. I order TSB Bank plc to pay Miss G:

- a total of £300 compensation for distress and inconvenience. It has already paid her a total of £130, leaving £170 still to pay.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 17 June 2024.

Belinda Knight
Ombudsman