

The complaint

Mr C complains that TSB Bank plc could not resolve a technical error which prevented payments, and they provided him with poor customer service.

What happened

Mr C says there were a number of issues which he's had with TSB. He had tried to make deposits with other financial institutions, but he was unable to receive One Time Passcodes (OTP's) to his phone, as TSB were not displaying his registered phone number to send the OTP's to his phone. Mr C says he's made multiple branch visits to try and resolve this issue, but after many months of the issue being unresolved, he felt he had to switch bank accounts, so he did this. As Mr C switched his bank account to another bank, this caused his savings account to close also.

Mr C says he tried to purchase a small amount of cryptocurrency, but TSB rejected the payment. He had problems making a payment to one of the companies he wanted to open a one year fixed bond with. Mr C asked TSB to cancel a £5,000 standing order, but they didn't do this, which resulted in these funds being sent. Mr C made a complaint to TSB.

TSB partially upheld Mr C's complaint, and they paid him a total of £75 compensation. They said they attempted in July 2023 to update his contact number which should have resolved the issue, but this didn't work. TSB said they have no further options to resolve this, and they were looking into this. They apologised for not letting him know about this earlier, which added to his frustration, causing him to switch his account.

TSB said they removed a security check from his account on 5 August 2023 which may have caused him issues before this was removed. They said he had managed to pay a third party £45,000 on 11 August 2023. They apologised for not cancelling the standing order for £5,000 when he asked them to. TSB said they did not allow cryptocurrency payments for a number of years. Mr C brought his complaint to our service.

Our investigator did not uphold Mr C's complaint. She said the £75 paid by TSB was in line with what she would expect them to pay Mr C for the issues he faced. Mr C asked for an ombudsman to review his complaint. He said he had been told conflicting information about when TSB stopped making cryptocurrency payments, and he detailed the various health issues he has.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can empathise with the position Mr C found himself in here through no fault of his own. As the company/companies he tried to make payments to required a OTP to be sent to him, and TSB had his correct number, then he should have been able to receive the OTP to his phone in order to make the payment he wanted to. But due to a technical issue on TSB's end, it

was displaying numbers which weren't associated with Mr C anymore.

While I don't doubt that TSB have tried to resolve this for Mr C, and I can see they referred this to their technical team, the workarounds they tried didn't work. So Mr C was still unable to receive OTP's for several weeks before he felt he had no choice but to switch his bank account to another bank.

This would be distressing for Mr C, and he was inconvenienced by having to contact TSB about this. From the notes on their system, it's clear he made several trips to the branch about this issue, but TSB had been unable to resolve this prior to him switching his account. They also acknowledged that they could have let him know about this sooner.

TSB also made other errors by not cancelling the £5,000 standing order that he asked them to cancel. This resulted in £5,000 being sent which shouldn't have been. Mr C may have also been given conflicting information about how long TSB didn't allow cryptocurrency payments for.

I can confirm to Mr C I've seen documentation that TSB stopped allowing these types of payments in 2021. So I can't say they made an error in blocking the cryptocurrency payment Mr C wanted to make, even though it was a small payment he wanted to make. I can also confirm TSB didn't make an error in closing his savings account when Mr C switched his bank account elsewhere as the terms of the account required a TSB current account to be open in order for Mr C to have the savings account.

So I've considered what would be a fair outcome for this complaint. TSB paid Mr C £75 compensation. But I'm not persuaded that this takes into account all of TSB's errors and delays, and the impact these had on Mr C. He was unable to use the OTP for several weeks before he felt he had no choice but to switch his account to another bank, which also would have inconvenienced him. He made trips to the branch which he may not have made if TSB had let him know the outcome of the technical investigation sooner, and they've acknowledged delays here.

I'm persuaded that an extra £100 compensation for distress and inconvenience is proportionate for all of the errors and delays here. So it follows that I intend to ask TSB to put things right for Mr C."

I invited both parties to let me have any further submissions before I reached a final decision. TSB did not respond to the provisional decision. Mr C responded to the provisional decision. He said he was able to buy cryptocurrency with his TSB credit card and he asked them to be allowed to send them a token amount from his TSB bank account so that the cryptocurrency company could return his investment. He says he was shown information on the computer advising that TSB stopped allowing cryptocurrency transactions ten days before he wanted to send them a token amount.

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.

While I can't look into what Mr C has said about buying cryptocurrency with his TSB credit card as this wasn't part of the original complaint he made with TSB, he has also said he was shown information that TSB stopped allowing cryptocurrency transactions ten days before he wanted to send the cryptocurrency company a token amount in order for him to withdraw his investment with them.

So the key thing here is TSB had stopped allowing cryptocurrency transactions from their bank accounts at the time Mr C wanted to send the firm a small amount to withdraw his investments. It's not clear why there is a discrepancy when TSB stopped these transactions as I mentioned in the provisional decision that *"I can confirm to Mr C I've seen documentation that TSB stopped allowing these types of payments in 2021"*.

Although Mr C was prepared to sign a waiver to allow the small payment, TSB are under no obligation to accept Mr C's offer regarding this. And I can't hold TSB responsible for any cryptocurrency losses he incurred, as TSB had not made an error here.

In summary, Mr C's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. If Mr C is disappointed, I hope he understands my reasons.

Putting things right

In my provisional decision I said I intend to uphold this complaint in part. I said I intend to ask TSB Bank plc to pay Mr C a further £100 for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint in part. TSB Bank plc should pay Mr C a further £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 1 August 2024.

Gregory Sloanes
Ombudsman