

The complaint

Mr P complains that TSB Bank plc has applied adverse information to his credit file for a minor oversight and despite him explaining his circumstances at the time.

What happened

Mr P said that missed payments were added to his credit file but at the time he didn't have access to online banking. He said he had tried to reset his access, but this hadn't been successful. Mr P also explained that he had been overseas due to a bereavement from 24 December 2023 until 8 February 2024 which was when the payments were missed. While letters were sent to him, his priority when he returned to the UK was to get back to his work-life routine and it wasn't until March 2024 that he had chance to look through his correspondence, at which point he made the required payments. He said he was being punished for a slight oversight with a small payment and that this issue has affected his mental health.

TSB issued a final response letter dated 25 March 2024. It explained that there weren't missed payments, but that Mr P's credit report was showing that his account was overdrawn. Regarding Mr P's issues accessing his account online it said the message Mr P was receiving showed he had an active registration and his options were to reset his log-in details or TSB could cancel his internet banking registration and Mr P could re-register.

Mr P referred his complaint to this service.

Our investigator didn't uphold this complaint. She thought that TSB had followed the correct procedure when Mr P's account went into an unarranged overdraft.

Mr P responded to our investigator's view. He said he hadn't said that TSB hadn't followed the process but instead that there were extenuating circumstances that should be considered. He felt that TSB did not work efficiently to get him back online when he encountered issues and had caused him distress after his bereavement rather than being understanding and supportive. He said our investigator stated that he had reasonable time to open his post, but it wasn't for her to determine this and the magnitude of the bereavement he had suffered. He didn't feel that our investigator's view was objective and didn't think it took into account his vulnerability at the time.

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.

Mr P opened his account with TSB in September 2023. When he opened the account, he agreed to its terms and conditions which included maintaining the account fee of £3 a month. I have looked through Mr P's account statements and these show that he didn't pay any money into the account until March 2024. Between the account opening and March 2024, the account fee was deducted monthly resulting in Mr P's account going into an unarranged overdraft and interest was charged. When the account went beyond the £10 overdraft buffer

TSB contacted Mr P.

I note Mr P's comment that he feels he is being punished for an oversight on the account which resulted in a small negative balance. I agree that the account was overdrawn by a relatively small amount but as no payment had been made into the account and the account had been overdrawn for a number of months, I think it reasonable that TSB followed its usual process of informing Mr P of the status of his account and that if corrective action wasn't taken then the arrears would be reported to the credit reference agencies.

Mr P brought the account to within the £10 overdraft buffer on 14 March and then repaid the overdrawn balance on 21 March. TSB is required to report accurate information to the credit reference agencies and given the status of the account and the timing of the payments I do not find I can say that TSB was wrong to report the arrears.

Mr P has said he wasn't saying that TSB didn't follow its usual process but that he was vulnerable at the time due to a family bereavement and was unable to access his accounts due to issues with online banking. He felt that TSB hadn't been supportive. I am very sorry to hear of Mr P's bereavement and I note this meant he needed to spend time overseas. I agree that it isn't for us to try to determine the magnitude of his bereavement and I can only offer my condolences. However, I have to consider, in light of the information Mr P provided both about his vulnerability at the time and the problems he was experiencing with his online banking whether TSB should have acted differently.

Having considered all of the evidence I do not find that TSB is required to take any further action in response to this complaint. I say this because Mr P opened the account and agreed to maintaining the account fee. Therefore, while I accept he may not have been accessing his statements online due to the issues he was experiencing, he should have been reasonably aware that a monthly fee was coming out of the account and that as he hadn't made any payments into the account these would cause his account to become overdrawn. TSB notified Mr P about the status of his account by letter and Mr P returned to the UK in time to take the corrective actions set out. I appreciate that due to the bereavement and return from overseas this issue may not have been a priority, but I find that Mr P was given notice of the situation and the opportunity to correct it. TSB also provided Mr P with the information he needed to resolve the issue he was experiencing with his online access.

Taking all of the above into account, while I am sorry to hear of the experience Mr P has had, I do not find I can say TSB did anything wrong or treated him unfairly. Therefore, while I appreciate this will be disappointing for Mr P, I do not uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

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

Jane Archer
Ombudsman