

Mr. Andrew Bailey
Chief Executive
Financial Conduct Authority
25 The North Colonnade
London
E14 5HS

25th September 2018

Dear Mr. Bailey

TSB Customer Rectification Programme

TSB's senior management team is responsible the biggest IT meltdown in UK corporate history affecting millions of personal and business customers. The cost of this meltdown is going to be £176 million, although that figure is likely to increase significantly when you take lost business into account. We understand that of the 159,000 complaints made by TSB customers, only 40% have been dealt with.

According to members of the union who are working on the complaints and rectification programme, last week was the first time that the number of complaints resolved by TSB was the same as the number of new complaints made by customers. So, some 6 months after the IT meltdown began, TSB is only just getting on top of the number of complaints made by customers. What has TSB been doing since April to resolve customer complaints? More importantly, what has the FCA been doing to ensure that TSB meets its obligations to treat customers fairly? A new 'surge' team of 100 staff was recruited in September but largely they have sat around doing nothing because only 5% were certified to deal with complaints. The situation is so desperate that staff are being recruited from branches into a central complaints team to deal with the backlog of complaints. More worryingly, were you aware that of the 5,000+ mortgage customers who have not been able to make product transfers since the meltdown began: only 2,000 have been contacted this month to offer them compensation and a solution to their mortgage problems?

Following the announcement that Mr. Paul Pester was stepping down from running TSB, Rt Hon. Nicky Morgan, Chair of the Treasury Select Committee said: "Since the IT problems at TSB began, Paul Pester set the tone for TSB's complacent and misleading public communications. The Treasury Committee, therefore, concluded that it lost confidence in Dr Pester's position as Chief Executive of TSB. In this light, it is right that he is stepping down.

But the Committee remains concerned about the continuing problems at TSB, including unacceptable delays in compensating customers who have been badly let down".

The "unacceptable delays" referred to by Rt Hon. Nicky Morgan are continuing and the FCA seems to be doing nothing to ensure that customers let down by TSB are being dealt with speedily. Why did the FCA not produce a timetable setting out when it expected customer complaints to be resolved? The FCA needs to come out publicly and say what it is doing to help TSB customers. TSB has admitted that it will take until the end of January 2019 to deal with all the customer complaints resulting from the IT migration. That is unacceptable.

A copy of my letter is being sent to Rt Hon. Nicky Morgan and her colleagues on the Treasury Select Committee.

Yours sincerely



Mark V Brown
General Secretary