

The complaint

Mr J complains that TSB Bank plc failed to refund a transaction from his account that he didn't recognise.

What happened

Mr J received a letter from TSB about his account which asked him to take some action because the account was rarely used and could be classed as dormant. Mr J's account was operated using a passbook – which is used to record deposits and withdrawals. This type of account doesn't generate statements because all the activity is recorded in the passbook. After receiving the letter, Mr J visited a branch of TSB and withdrew a small amount of money from it.

When the withdrawal was made, the passbook updated itself and recorded some interest payments and a withdrawal from about three years earlier which Mr J didn't recognise. Mr J queried this with TSB who retrieved the payment slip related to this withdrawal.

They showed Mr J the slip that contained a signature which TSB believed was Mr J's. Mr J disputed that he'd made the withdrawal himself and believed that it was due to a fraud within TSB. Mr J didn't believe the signature was his and maintained that he always brought his passbook in to record any activity on his account. He couldn't understand how this withdrawal had been allowed without recording it in the passbook. TSB maintained that Mr J had made the withdrawal and declined to make any refund.

Mr J complained to TSB about the withdrawal which they relooked at but didn't change their position. TSB explained there were various reasons (cashier error, technical issues or customers request) why the passbook might not have been updated at the time and didn't think it was significant that the withdrawal wasn't recorded in the passbook. TSB confirmed there had been updates to their system and procedures since the withdrawal, but the cashier would have followed a procedure to confirm the identity of the account holder before the funds were released.

Mr J continued to disagree with TSB's decision and brought his complaint to the Financial Ombudsman for an independent review. It was looked into by one of our investigators who asked both parties for evidence and information. Mr J maintained that he hadn't withdrawn the funds himself and thought it was an internal fraud that was responsible.

TSB provided copies of their system information showing that they didn't keep a copy of Mr J's signature in electronic form and that it was only available when viewed under a special light on his passbook. They provided copies of the disputed transaction withdrawal slip and one from an undisputed withdrawal to compare signatures. TSB confirmed that they'd had no instances of staff fraud and the withdrawal didn't support a third-party gaining access to it as funds were left in the account rather than being drained.

Our investigator didn't think that the withdrawal was the result of fraud and it was most likely that Mr J was responsible, and he didn't uphold Mr J's complaint.

Mr J maintained that he wasn't responsible and wanted a further review of his complaint. He wanted further information to be considered:

- Mr J wanted to understand the time of the withdrawal because he would only visit the branch during certain hours due to work.
- He wanted to know if CCTV had been recovered to prove it was him at the counter.
- Mr J questioned the code used on his passbook.
- He wanted to know why the entry wasn't entered manually if there was a problem with a printer 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.

This complaint revolves around a withdrawal made some time ago from a visit to a branch. What that means here is that there's a limited amount of evidence available due to the time that has passed and changes in systems/procedures. Also, branch visits don't usually tend to generate a lot in the way of paperwork, especially for accounts that use a passbook.

TSB procedures at the time required the cashier to check the withdrawal was made by the genuine account holder and there's no evidence to show that it wasn't done during this withdrawal. Mr J speculated the withdrawal was due to internal fraud at the bank, and TSB specifically sought information about this from the branch in question who confirmed they'd had no instances of branch fraud. I appreciate Mr J thinks this might be the first indication of such fraud, but I don't think that's the likely explanation.

Mr J denied the signature was his and believed someone else was responsible for forging it. But, a record of it isn't kept electronically by TSB and it's only recorded on the passbook itself which also requires a special light to reveal it. As Mr J still had the passbook in his possession, it seems unlikely anyone else could have copied the signature from it.

The signatures from the two withdrawals aren't dissimilar and together with the procedures the branch staff are required to carry out to satisfy themselves that the account holder is genuine, I don't think it's likely that the withdrawal was made by anyone other than Mr J.

Mr J wanted to understand why CCTV wasn't retrieved by TSB to prove that it was him that made it. CCTV isn't typically kept for very long so I would doubt it's available. In any event, I don't think TSB needed to do anything further because the withdrawal followed their normal procedures and they were satisfied that it was the genuine account holder who withdrew the funds.

TSB explained there are various reasons why the passbook wasn't updated at the time but I doubt the actual reason will ever be known. What's relevant here is that TSB were satisfied the account holder was genuine (Mr J) and there's no evidence to point to any other reason for the withdrawal.

I know Mr J wanted to understand the timing of the withdrawal and is adamant that it wasn't him who made it. The time isn't recorded and as I've already mentioned, the evidence I have been able to examine persuades me that the withdrawal was more likely than not made by Mr J.

TSB explained that the codes they used (in the passbook) changed over time and there was nothing unusual about this. I don't think that the use of a different code for the disputed withdrawal indicates anything other than TSB changing their internal processes to support their business functions.

When I've examined the passbook, there were funds remaining in it. I understand Mr J thinks this supports his case that it was fraudulent and that small withdrawals were being made from other accounts, but there's no evidence to support this. If a third party had gained access to his account, I'd have thought it more likely that there may have been further withdrawals over the three-year gap between the disputed transaction and when Mr J went into the branch. Most thieves would be aware that their theft would come to light at some point, so tend to maximise their opportunity to steal available funds, particularly given the length of time the account was unused. That didn't happen in this case.

When I've considered all the evidence and information from both parties, my objective assessment is that I think Mr J was more likely than not responsible for the withdrawal and I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint against TSB Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 17 May 2022.

David Perry
Ombudsman