

The complaint

Mr R complains that TSB Bank plc have been unable to retrieve funds he sent to a wrong account. Mr R is also unhappy that TSB closed his accounts and the service he received.

What happened

Mr R had a current account and savings account with TSB.

In September 2023, Mr R instructed TSB to send two payments for £1,250 and £2,000 using the faster payment service to an online casino which I will refer to as B.

Mr R says the money never reached B and instead went to another business that I will refer to as M. Mr R says he noticed this after looking at his account statement in October 2023.

Mr R has said he usually made payments to B using his debit card, but on this occasion, he used faster payments because his bank card was damaged. Mr R contacted B and they told him that it hadn't received the two payments.

On 17 October 2023, Mr R contacted TSB and asked them to get the money he'd paid to M returned to him as the payments hadn't gone to the intended beneficiary B. He told TSB that he had made previous payments to B, but that B had suspended his account without explanation, and he wanted his money back, because B had stopped providing him with services.

Mr R said he'd made several payments to B in early September 2023, amounting to £7,500 to gamble. He said he had managed to get around £1,400 back from B after he'd made a complaint to B. Mr R told TSB that B shouldn't have opened an account for him because he was registered with Gam Stop, to help control his gambling. So, he said B had breached their licensing agreement because it hadn't checked with Gam Stop. Mr R said he had reported B to the gambling commission and said he hadn't lost the money he believed he'd sent to B on losing bets. So, he wanted TSB to help him get his money back.

TSB told Mr R they couldn't claim back the funds back as fraud because the payments weren't fraudulent and said he should check his gambling account to locate the payments. TSB said that based on what Mr R had told them that it was a civil dispute between Mr R and B.

In response, Mr R told TSB that he wanted to dispute the payments, but he'd been told the dispute process was for debit card transactions and not faster payments. Mr R said he was unhappy as he felt making payments via faster payments meant he wasn't offered any protection by the bank to recover his funds.

TSB explained that if B owed Mr R money he would have to raise the matter with the gambling regulator and B itself. In other words that this was a civil dispute. In response, Mr R said TSB should have given him this information much sooner. But TSB said that Mr R

shouldn't have raised the matter as a fraud dispute, as it wasn't a fraud matter, which is what caused the delay.

Mr R called TSB again on 26 October 2023. He told TSB that he had checked his bank statements and didn't recognise the two payments he'd made on 17 September 2023 that had gone to M. TSB confirmed that the payments were faster payments made by internet banking, after Mr R moved funds into his TSB account from another bank account he had.

During the call Mr R pointed out that he recognised several payments he'd made to B, and said he had a dispute with B. But he didn't recognise the two transactions to M. He said he had researched M on the internet and realised he didn't have an account with them. And said the two payments he had made on 17 September 2023, should have gone to B. So, he believed the payments had gone to M in error.

Mr R explained that he had made over £10,000 worth of payments to B and when he checked he could only account for around £7,500, which is when he realised the £3,250 hadn't been credited to his account with B. TSB told Mr R that because he had made the payments, and they had gone to the wrong account number he should contact telephone banking and that they could raise a payment in error enquiry on his behalf to try and recover the funds.

TSB told Mr R it would try and recall the two payments on a 'best endeavours' basis but this could take up to 20 working days and that there was no guarantee Mr R would get the money back. Mr R agreed to this. The receiving bank replied to TSB's 'best endeavours' request and said that their customer hadn't responded to their requests. So, they didn't return any funds to TSB or directly to Mr R's account.

On 15 November 2023, Mr R called TSB and told the bank that he had raised a dispute with B. During the call he explained that he usually made payments to B, which is a casino, using his debit card. However, at the time he made the two payments in September 2023, his card was damaged, so the website directed him to use the faster payment option via his mobile banking app, which didn't provide the banking details of the account. And didn't show that the payments had gone to M instead of B.

Mr R said he was happy to go ahead with the transactions as he had previously made payments to B without any issues. And believed that the payments were going to B, where he wanted them to go. But after he'd spoken to B, they'd told him it didn't have his money, and had nothing to do with M. So, Mr R said he hadn't been able to find out where his money was.

During the call TSB incorrectly told Mr R that it would agree a refund for Mr R, and if he hadn't heard anything from TSB by 30 November 2023, he should contact them.

Over the next month Mr R called TSB several times asking if there was any other way, he could recall the payments. Following this Mr R raised a fraud claim in an effort to recover the funds. TSB reviewed the fraud claim but said that because it had already raised a 'best endeavours' claim, the fraud claim shouldn't have been raised. TSB also said that there was no evidence that the payments had been made fraudulently – Mr R had made them. TSB provided Mr R with the details of the beneficiary account to assist him with any enquiries he needed to make to try and get the money returned to him.

TSB explained to Mr R their records showed the faster payments had been processed correctly and that the funds must be somewhere with the receiving bank. It said Mr R led them to believe the payments had been made in error. So, TSB didn't think they'd done anything wrong in trying to recover the payments under its best endeavours process.

However, TSB acknowledged that when it had spoken to Mr R on 15 November 2023, it had wrongly given Mr R the impression that he would be refunded and had taken too long to release his closing balance. TSB apologised to Mr R and paid him £50 compensation.

Following this TSB decided to close Mr R's accounts immediately.

Mr R complained to TSB and said he believed that the bank had discriminated against him and had given him false hope that he'd get his money refunded. He said the bank hadn't done anything to help him and believed that it hadn't offered him any protection when he made the faster payments. In response TSB said it had closed Mr R's account in line with the terms and conditions. It also said it hadn't done anything wrong following its best endeavours approach.

Unhappy with this response, Mr R brought his complaint to our service. Mr R said because TSB didn't recover the payments, he wasn't able to pay his university fees, credit card and other bills, which led to him having to set up repayment plans. He also said that when he spoke to TSB the staff were rude and unhelpful. He said he was given misleading information which meant it took him longer to pursue matters with B.

One of our investigators reviewed the complaint. He told Mr R that he'd established M to be part of B, and that it also operated under a different trading name, which TSB had provided to him. After looking at all the evidence, the investigator didn't think TSB had done anything wrong on their part of processing the payments and trying to recover Mr R's funds on a best endeavours basis. He also thought that for the most part TSB gave Mr R the correct information about how he could recover his money and what it could and couldn't do to assist him. However, he thought TSB incorrectly told Mr R to expect a refund. So, he said TSB should pay Mr R an additional £100 compensation for any trouble and upset this had caused him.

TSB agreed. Mr R disagreed. He said that the investigator's view was biased, and he'd wasted his time bringing his complaint to our service. He said he is out of pocket and wants the payments refunded to him.

As no agreement could be reached the matter has come to me to decide.

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.

In response to the investigator's view, Mr R has said that our service is biased – with the implication being that the TSB is influencing our conclusions inappropriately. Whilst I do recognise his concern, and that he was disappointed by the outcome reached by the investigator, as an ombudsman service our approach is to consider what both parties say and then reach our own independent conclusions on that evidence. That is what we have done in this complaint. If Mr R does not agree with our view, he does not have to accept it, and if he does not accept this final decision, he will be free to continue to pursue his concerns by other means should he wish to do so. I cannot, however, advise him on how to go about doing that.

The faster payment service is a way for a bank to quickly send money to another bank using the same faster payment system. Each bank then has a part to play in terms of completing a faster payment. To be clear my review is to look at whether TSB has done anything wrong in

the circumstances of this complaint and not to look at the actions of the other bank or parties involved – which is M and B.

I've looked at the evidence provided by TSB, which shows they processed the two payments Mr R made and that they reached the receiving bank on 17 September 2023.

The details used to send the funds appear to be correct. There's nothing to suggest Mr R provided the wrong bank account details or that TSB used the wrong bank account details. Mr R says the money never went to B and instead ended up with a different company - M. But I've not seen any evidence to suggest that TSB would have had reason to suspect that Mr R had made a mistake at the time it made the transfers.

Given the account details used appear to be correct and as the receiving bank had not helped Mr R, I think it was reasonable for TSB to try a 'best endeavours' request on Mr R's behalf. And having listened to the call recordings I think it was made clear to Mr R that this could take up to 20 working days and there was no guarantee TSB would be able to get the funds back.

So, I'm satisfied that TSB did what I'd expect it to do when Mr R contacted it to say the transfer was meant to go to B instead of M. TSB used its best endeavours to see if it could recover Mr R's money. Unfortunately, the receiving bank responded to TSB's request to say its customer hadn't responded to them after it asked them about the payments. So, they did not return the funds.

From looking at the evidence, I can see that TSB contacted the receiving bank and chased its request. I can also see that it started its attempt to recover Mr R's funds within a reasonable timeframe. Taking everything into account, I can't see that TSB have treated Mr R unfairly. I'm satisfied that TSB made a reasonable attempt to get the funds back for Mr R having explained to Mr R retrieving the funds was not guaranteed.

Mr R has also complained about the service he received from TSB. He's said that he was given misleading information which led him to believe he'd receive a refund, he also said the advisors he spoke to were rude and TSB took too long to let him know it couldn't help him get his money back.

Firstly, I'm satisfied that TSB didn't cause any undue delays in completing its best endeavours process. I've also not seen any evidence that TSB's staff were rude or unhelpful to Mr R – based on the recordings of the calls I've listened to I'm not persuaded that the staff involved were rude or sought to upset Mr R in anyway. I am also satisfied that TSB provided as much information as possible about what it was doing each time Mr R contacted them and did its best to explain to him what it was doing.

However, I agree with the investigator that TSB provided poor service to Mr R on one occasion. I've listened to the call Mr R had with TSB on 15 November 2023. During this call, the advisor told Mr R that he would process a refund for the two payments Mr R made to M and that if he hadn't received the money back by 30 November 2023, he should let the bank know. But this wasn't correct.

TSB has accepted it shouldn't have given Mr R this information and in doing so it raised his expectations that the bank would be able to get his money back. So, understandably when TSB told Mr R it wasn't going to refund him, he was upset. For this the investigator has already suggested a further £100 is paid by TSB (in addition to the £50 already paid). I consider this fair and reasonable in the circumstances, so I won't be asking TSB to do anything more to resolve this aspect of Mr R's complaint.

I'll next deal with TSB's decision to close Mr R's accounts. TSB is entitled to close an account with Mr R just as he is entitled to close his account with TSB. But before TSB closes an account, they must do so in way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that TSB could close the accounts immediately in certain circumstances and by giving at least two months' notice.

In this case TSB closed Mr R's accounts immediately. For TSB to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that TSB did. And that it was entitled to close the accounts as it's already done. So, I can't say TSB has done anything wrong here.

I appreciate Mr R has said he feels discriminated against because TSB closed his accounts, although he hasn't gone into specifics about how the way TSB have treated him is related to any protected characteristics. But I have taken on board what he's said when considering whether TSB treated him fairly and reasonably. It is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr R has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). And after looking at all the evidence, I've not seen anything to suggest that TSB treated Mr R unfairly.

While I appreciate how TSB closing his account made Mr R feel and his perspective on why TSB took the actions it has, I have to consider if other customers in similar situations would have been treated the same way. Having looked at all the evidence, I haven't seen anything to show that TSB would have treated another customer with similar circumstances any differently than Mr R. So, I can't say TSB treated Mr R unfairly when it decided to close his accounts.

My final decision

For the reasons I've explained, my final decision is that partly uphold this complaint. To put things right TSB Bank plc should do the following:

- Pay Mr R £100 compensation for giving him incorrect information

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 21 May 2024.

Sharon Kerrison
Ombudsman