

The complaint

Mr M has complained about the way TSB Bank plc handled some transactions which he says he didn't make or otherwise authorise.

What happened

During the early hours of a particular day, around £1,400 was spent on online gambling from Mr M's TSB account, using his card details and phone. The payments were made to a gambling account set up in Mr M's name, at his usual IP address. £550 of winnings were paid back to Mr M, so he lost about £850 in total. This took him further into an overdraft.

Mr M said this was not him, but a family member. He said he hadn't given the family member access to his account, but suggested they'd watched him enter his phone's PIN before, and said his phone's PIN was the same number he used to log in to his TSB mobile app. He asked for a refund of the loss.

TSB initially held Mr M liable for the payments in dispute. But in order to help Mr M out, TSB then offered to write off the account's outstanding overdraft – over £1,000, which included all the losses to the gambling payments and some of Mr M's own undisputed spending – and to refund the related interest and fees.

Our Investigator looked into things independently and found that TSB had made a fair offer. But Mr M rejected the offer, saying he'd had to borrow £800 from friends to cover the money lost to the disputed payments. He now wants TSB to pay him a further £800, in addition to clearing the overdraft debt made up of the disputed payments and his genuine spending.

The complaint's been passed 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.

I should explain that the evidence does not support that these transactions were made without Mr M's permission. For example:

- The gambling account was in Mr M's name, registered under his correct details.
- The gambling merchant recorded that they'd had multiple interactions with Mr M through his registered contact details – which match up to the contact details Mr M gave us.
- The disputed activity took place on Mr M's genuine phone, at the same IP address he used before and after for his genuine activity.

- The security details needed to log in to the banking app had to be of a certain format and include letters, which meant they could not have been the same as the phone's PIN. So Mr M's family member could not have learned the security details by watching him unlock his phone. Further, at each login Mr M would normally only input certain characters, rather than the full information. So it would have been very difficult to piece all his security details together from watching him log in to the app, not least given how many logins they'd have to watch over a lengthy period, and the difficulty in doing this without Mr M ever noticing.
- I've not found any evidence of any unauthorised access to the account. According to the technical data, everything was authenticated properly.
- Mr M had historic declined claims for gambling transactions. This included previous gambling payments made from his IP address, where he'd received and spent the winnings. The last time this happened, he said it was a different family member who'd used his account to gamble. His claim was declined.
- I've not found any evidence which actually shows or substantiates that anyone other than Mr M authorised these payments.

Despite the above, TSB offered to give Mr M the benefit of the doubt, and to clear the overdraft on his account, along with refunding related interest and fees. And that overdraft was made up of not just the £850 or so lost to the gambling payments, but also around £200 of Mr M's own undisputed spending, which TSB were not required to refund even if he was defrauded. So that is a very generous offer. It's more than what we would have awarded if we'd found that the payments were fraudulent. And it's more than what Mr M asked for when he initially came to our service.

I do understand that Mr M has found the matter most distressing. I'm grateful to Mr M for being open and candid with us about his health and how he's felt. It's worth keeping in mind that if Mr M's family member took advantage of him and used his account without his permission, then it's the family member who's primarily responsible for the money lost and for the resulting stress, rather than TSB. And it's the family member who would've really caused any financial difficulties Mr M faced because of the disputed payments. To TSB, it would have looked like the payments were being made by Mr M – they were made on his genuine device, on his usual internet connection, with his correct security details, to a gambling account in his details. So I've not found that they needed to block the payments as unauthorised at the time. Then when Mr M told them the account had been defrauded, it was correct for TSB to block it to keep it safe, even if that was inconvenient. I do not find that TSB need to pay Mr M any further compensation.

Mr M suggested that TSB should pay him an additional £800, as he'd borrowed £800 from friends. But the reason Mr M had to borrow £800 was because he'd lost around £850 to the disputed gambling payments. And in clearing the resulting overdraft, TSB are refunding that £850 or so of gambling payments – plus a good deal of Mr M's own genuine spending. So there's no need for them to pay him another £800 on top. If they did that, they'd be effectively reimbursing the same amounts twice over. That would not be fair or reasonable.

Lastly, I understand Mr M is unhappy that TSB closed the account. Similar to how Mr M can choose who he banks with, TSB can broadly choose who banks with them. They were allowed to close this account in Mr M's situation. And under the terms of the account, they did not need to give more notice in these circumstances.

My final decision

For the reasons I've explained, I find that TSB Bank plc have already made a fair offer to resolve this complaint. They should carry out their offer, if they've not done so already. Otherwise, I do not make any further award.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 October 2024.

Adam Charles
Ombudsman