

The complaint

Mr C complains that TSB Bank PLC (TSB) is refusing to refund him the amount he lost as the result of a scam.

Mr C is being represented by a third party. To keep things simple, I will refer to Mr C throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr C found an advertisement on social media for a cryptocurrency investment opportunity with a company I will call X. Interested in the opportunity Mr C clicked on the link and provided his information.

Mr C then received a call from X and Mr C paid an initial £250 to start the investment process.

X called again the following day and a trading account was setup on X's platform. X requested a payment of £5,000 so that Mr C could start creating a profit on the account. Mr C sent the payment as requested and was able to withdraw some funds which gave him confidence X was legitimate.

Later in the scam Mr C attempted to make a withdrawal from the investment but X gave several reasons why he would have to make more payments first.

Even when Mr C made the requested payments, he was still unable to withdraw any funds and realised he had fallen victim to a scam.

Mr C made the following payments in relation to the scam from his TSB account to another account he held elsewhere. The funds were then sent on in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	2 November 2023	Mr C	Transfer	£7,500
2	2 November 2023	Mr C	Transfer	£7,500

Our Investigator considered Mr C's complaint and didn't think it should be upheld. Mr C disagreed so this complaint has 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.

It has not been disputed that Mr C has fallen victim to a cruel scam. The evidence provided by both Mr C and TSB sets out what happened. What is in dispute is whether TSB should refund the money Mr C lost due to the scam.

Recovering the payments Mr C made

Mr C made payments in relation to the scam from his TSB account via the method of transfer to an account he held elsewhere. When payments are made using this method TSB has limited options available to it to seek recovery.

I can see that the funds Mr C sent from his TSB account were received by him at his other account where he intended them to be sent. The funds were then forwarded in relation to the scam. With this in mind, there would have been no funds available for TSB to recover from the payee's account, and even if there were, the funds would remain within Mr C's control.

So, I don't think TSB had any reasonable options available to it to seek recovery of the payments Mr C has disputed.

Should TSB have reasonably prevented the payments Mr C made?

It has been accepted that Mr C authorised the payments that were made from his account with TSB, albeit on X's instruction. So, the starting point here is that Mr C is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether TSB should have been aware of the scam and intervened when Mr C made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Mr C made from his TSB account were being made to another account in his own name. While Mr C sent two payments on the same day I wouldn't necessarily have expected the payments to have caused TSB to have concerns. The balance on Mr C's account was not depleted and TSB's system was able to see via 'confirmation of payee' that Mr C was making the payments into another account in his own name which is considered to carry less risk. Mr C was also using his registered device to make the payments and had previously used his TSB account to make similar sized payments.

I can see that a call took place between Mr C and TSB in between the two payments he sent, and although a copy of this call is not available no concerns were noted, and the payments were allowed to proceed.

I think it's most likely Mr C told TSB the payments he was making were being made to an account in his own name as in this case that's what the payments were being made in relation to.

Mr C used two other accounts in his name during the scam and when prompted he gave inaccurate reasons for the payments. Mr C also ignored a clear warning from a family member not to make payments to X and was provided with online reviews to support this.

So, even if Mr C had been honest with TSB and TSB had provided a warning to Mr C about the payments, I think it's unlikely Mr C would have been deterred from making the payments.

I don't think TSB missed an opportunity to prevent the scam and it is not responsible for Mr C's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 April 2025.

Terry Woodham
Ombudsman