

## **The complaint**

Ms Q complains about TSB Bank plc. She says that it failed to protect her from a scam and would like it to refund her the money she has lost.

Ms Q's complaint has been referred to this service by a professional representative, but for the sake of readability, I will mainly just refer to Ms Q.

## **What happened**

In 2020, Ms Q was looking to make an investment and was introduced to a company – that I will refer to as 'B' - by an advisor.

Ms Q says she thought she was investing into a bond and would receive a fixed return. Ms Q sent B £40,000 between August and November 2020 by transfer, via an intermediary firm. Ms Q did receive 6 payments from B, but when the payments did not continue, she complained to TSB as she felt it should have protected her from what she feels was a scam. TSB considered Ms Q's complaint, but said it did not agree this was a scam and instead felt it was a failed investment, so treated the case as a civil dispute.

Unhappy with this outcome, Ms Q brought her complaint to this Service.

Our Investigator looked into things and they agreed it was more likely a civil dispute between Ms Q and B. On balance, they concluded that there was insufficient evidence to show that B had intended to act in a dishonest way from the outset. And instead, they felt it was more likely this was an investment that unfortunately failed.

Ms Q's representatives responded to the view saying they and Ms Q disagreed with the Investigator. As an informal agreement could not be reached, the complaint has been passed to me for a final decision.

## **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.

Ms Q's representatives have written at some length about the issues surrounding this case. I may not comment on everything they have told us, nor every individual point raised. I want to reassure both parties though, that this doesn't mean I consider things unimportant, nor that I haven't reviewed everything. While I've carefully thought about all of the information on the case, I'm going to focus on what I consider the crux of this complaint and the key facts. This reflects the informal nature of our service.

It isn't in dispute that Ms Q authorised the payment she made to B. Because of this, the starting position – in line with the Payment Services Regulations (PSR's) 2017 – is that she is liable for the transaction.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. But there are circumstances when it might be fair and reasonable for a firm to reimburse a customer, even when they have authorised a payment.

In this instance, there are two main issues for me to consider. Firstly, should TSB have intervened and asked questions about the payments and would that have uncovered that Ms Q was being scammed. Secondly, should Ms Q receive a refund under TSB's Fraud Refund Guarantee ("FRG").

I have not been provided bank statements. So I am unable to say whether the first payment would have looked unusual, as I cannot see Ms Q's payment history before the payment. So I have considered what would have happened had TSB thought it was unusual and intervened during this payment and asked a number of open questions about the first payment.

The type of questions I'd expect TSB to have asked would include: how Ms Q found the investment, what return she had been offered and what checks she had done on B. TSB also may have asked what documentation Ms Q had received in relation to the investment.

But, even if TSB had asked the type of questions I would've expected, I'm not satisfied that it would've prevented Ms Q from making the payments or prevented her loss.

I say this because all of the information available about B *at the time of the payments*, suggested that this was a legitimate investment.

B was a UK incorporated company since 2014. The rate of return wasn't completely unrealistic, and I haven't seen any negative information that would've been available at the time that suggested this was a scam. The firm that acted as an intermediary were FCA regulated and I can't see anything from the time that would have led TSB to think that Ms Q was being scammed.

So, even if TSB had asked open probing questions, I not satisfied that they would've been concerned by the information Ms Q would've given them. On that basis, I don't think they acted unreasonably in processing Ms Q's payment instruction, and I'm not satisfied that they could've prevented her loss.

In relation to whether Ms Q should receive a refund under its FRG. The terms and conditions of the FRG says that it does not apply to non-fraudulent disputes. So I have to consider whether B was a scam.

In order to determine if Ms Q has been the victim of a scam, I have to consider if her intended purpose for the payments was legitimate, whether the intended purposes Ms Q and B were broadly aligned and, if not, whether this was the result of dishonest deception on the part of the B.

Based on the evidence available to me, it appears Ms Q was paying for a bond. She then expected to receive regular returns on her investment. From what I have been provided, I see no reason why Ms Q would not have thought this was a legitimate investment.

I've gone on to consider whether B's intended purpose for the payments aligned with what Ms Q intended and on balance, I think B's intended purpose for the funds aligned with Ms Q's and nothing I have seen indicates to me that B intended to defraud her. Instead, I think it's more likely this was a failed investment. So I don't think it meets the definition of a scam. And I think TSB acted reasonably when it treated the case as a civil dispute.

I'm really sorry to disappoint Ms Q, as I know she's lost a significant amount of money. But I'm not satisfied that I can fairly ask TSB to refund her based on the evidence that is currently available.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Q to accept or reject my decision before 20 August 2025.

Charlie Newton  
**Ombudsman**