

## **The complaint**

Mr M says TSB Bank plc (“TSB”) refuses to refund him for transactions on his account he says he didn’t authorise.

## **What happened**

Mr M says his account was blocked and following this he noticed unauthorised transactions had been made. Mr M also says someone else used his online banking to contact TSB via the chat feature and requested a refund of previous direct debit payments to his energy provider. He says TSB authorised the direct debit refunds from his account, without checking whether these refunds would put him into debit with his energy provider. So, he would like all this money refunded, and an apology and compensation.

TSB says the evidence shows the first disputed transaction was made from a known device and from an IP address which had been used many times for genuine online banking activity. This was verified using Mr M’s biometrics. The second transaction was made from a different device, but to the same beneficiary the day after. Again, it was verified using Mr M’s biometrics. TSB says it believes it was Mr M who it spoke to on chat and asked it to refund the direct debit, as it is only possible to access the chat function through the online banking app. So, unless Mr M shared these details with someone else, it must have been completed by him.

Our investigator considered this complaint and all the follow up points raised by Mr M. Ultimately, he decided this complaint was not one he could uphold. Mr M wasn’t happy with this outcome, so the complaint has been passed to 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.

Before I set out my thoughts, I want to acknowledge that I have summarised this complaint briefly and, in less detail, than has been provided. I’ve focused on what I think is the heart of the matter. Please rest assured that while I may not comment on every point raised, I have considered it. I’m satisfied that I don’t need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this and reflect the fact that we are an informal service and a free alternative for consumers to the courts.

When considering what’s fair and reasonable, I’m required to take into account relevant law and regulations; the regulator’s rules, guidance and standards; the codes of practice; and, where relevant, what I consider good industry practice at the relevant time.

Where there’s a dispute about what happened, and the evidence is incomplete or contradictory, I must make my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence.

Generally speaking, TSB is required to refund any unauthorised payments made from Mr M's account. Those rules are set out in the Payment Service Regulations 2017. Mr M has said he didn't carry out the transactions in dispute. So, I have to give my view on whether I think Mr M did authorise the transactions or not.

TSB has provided evidence to show the transactions on the account were made using two different devices. Both devices had been registered on the account prior to the transactions in dispute and had been used for undisputed activity. I've seen evidence that the iPad used to set up the beneficiary and make the first transaction on 20 June 2024, had been used previously, at the same I.P address as the first disputed transaction for other undisputed faster payments. And based on the clear evidence of the device and IP usage prior to the disputed transaction, I am persuaded that this was Mr M's genuine device. Mr M hasn't reported any of his devices as lost or stolen, and he hasn't provided any evidence to suggest someone else would've been able to use his device and his mobile banking. So, it seems likely he was responsible for setting up this payee and making the first disputed transaction of £250 on 20 June 2024.

The second transaction was made on 21 June 2024 to the same beneficiary for £160. This was completed on an iPhone 15.4. From the evidence supplied by TSB, I have only seen this device being used on the account from 19 June 2024 onwards. The payment made from this device was made to the same beneficiary that I think is likely to have been set up by Mr M on his iPad the day before. And I don't think it's possible a third party would've been able to set up another device on Mr M's account and make this payment without him sharing an OTP (or other personal security information) and without also sharing his online banking details. So again, I think it is likely Mr M made this transaction or gave someone else his account security information to make it on his behalf.

Mr M is adamant that it wasn't him who spoke to TSB on chat on 20 June 2024 and asked it to refund direct debit payments to his energy provider. He has provided evidence of an IP address which he says is for his iPad, and which doesn't match the IP address used when on the chat to TSB. However, each device on a network, like a phone, laptop, or tablet, gets its own unique IP address from the router. But when you switch to a different WiFi network, your IP address changes to reflect the new network's public IP. So even though Mr M has provided evidence that his devices are not showing the same IP address that was used, had they been connected to a different network the IP address would've been different. So, I am not persuaded by the evidence Mr M has supplied on this.

I have read the chat and it is not obvious to me whether this is or is not Mr M. The chat was conducted through Mr M's online banking app. It was conducted on the same iPhone 15.4 that was responsible for a transaction on 21 June 2024. The IP address is different to the address Mr M has provided evidence of for his iPad. However, as above, this does not mean the chat was not conducted by Mr M. In order for someone else to have logged on to Mr M's online banking they would need to know his details. This is not information which should be shared with anyone, as per the terms and conditions of the account. They would also have to conduct this activity on a known device, and in order to add a device to the account it would need to be verified using an OTP. Mr M says he hasn't received or shared any OTP's recently. He also says he hasn't shared his online banking.

I've thought about everything Mr M has said, but unfortunately, I don't think these transactions were unauthorised based on the evidence at hand. Without knowing how someone else could've registered a new device and obtained Mr M's online banking details I am unable to conclude that it's more likely than not he didn't make these transactions.

**My final decision**

For all the reasons outlined above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 May 2025.

Sienna Mahboobani  
**Ombudsman**