

The complaint

Mr T complains that TSB Bank plc refuses to refund his loss.

What happened

The background to this complaint is well-known to both parties so I'll only provide a summary of the events that led to this complaint.

In or around September 2023 Mr T was looking to make some additional income for himself and came across an advert on social media by a merchant offering an opportunity to learn how to trade. The merchant worked with another two merchants, one who would be responsible for providing training and the other (who was a regulated entity) involved in the trading. Mr T completed some research online and decided to sign up for a three-day forex training course.

In October 2023 Mr T made two payments of around £3,064 and £69 from another account which granted him access to a trading 'demo' account. He then spoke to a representative of the merchant and agreed to make a £25,000 card payment via his TSB account to the merchant on 12 October 2023, with the merchant saying it would also putting a small percentage towards that deposit. Mr T then attended a meeting hosted by the merchant, but he couldn't see that his payment had been credited to his account. After raising this issue with the merchant, he was told that he wasn't entitled to a refund.

Mr T contacted TSB to raise a chargeback and to ask TSB to refund his money under its fraud guarantee. TSB considered the claim but said it didn't think Mr T had been scammed and that he had raised the chargeback too late. Unhappy with that response, Mr T brought his complaint to the Financial Ombudsman.

Our Investigator didn't think the complaint should be upheld. He said that TSB had fairly decided that Mr T hadn't been scammed. And even if TSB had stopped the payment at the time, he didn't think it could've reasonably uncovered the scam. Our Investigator added that Mr T's chargeback hadn't been raised in time, so TSB hadn't unfairly declined it.

Mr T disagreed and asked for an Ombudsman's review. He said he had collated a variety of evidence to show the merchant was operating a scam, and that he wasn't the only one who had lost money. He said the chargeback had been raised in time, but TSB had caused a delay and wasn't very helpful when he first raised the matter.

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.

Having done so, I've decided not to uphold it. I know this is not the answer Mr T was hoping for and so this will come as a disappointment. I'm really sorry to hear about the situation he's found himself in, and I can understand why he'd want to do all he can to recover the money

he lost. But I need to decide whether TSB can fairly and reasonably be held responsible for Mr T's loss. Overall, I've decided that it can't be. I'll explain why.

But first, I would like to say that I have considered this case on its own merits and have summarised it in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether TSB could've prevented Mr T's loss.

Was it a scam?

TSB doesn't consider that Mr T was the victim of a scam. It's maintained that Mr T lost out because of a poor investment that went wrong.

Mr T has provided a lot of documents and evidence which he says shows that this merchant was running a scam with an intention to take members of the public's money dishonestly. In order to be convinced that Mr T was scammed, I would need to be satisfied that the merchant is not who he intended to pay, or the payment is not for the purpose Mr T intended.

Mr T says his intention here was to learn how to trade and to fund a trading account. I can see from the evidence that Mr T attended a three-day course and says he was then asked to fund his trading account with the merchant also committing a small amount. When Mr T couldn't see that his trading account had been funded, he was told that a refund wasn't available as he had attended the course.

I appreciate Mr T has lost a lot of money here and that he isn't the only one. He has provided a lot of correspondence to support his assertions – which I've taken time to consider in full. But I'm not going to comment on the different people that Mr T says have been scammed.

I'm not satisfied that TSB unfairly concluded that this wasn't a scam. I agree with our Investigator that from Mr T's evidence there appears to be misleading and/or unethical sales tactics involved in the promoting of the courses and the trading. But this doesn't automatically mean that fraud has taken place. There appears to have been an agreement in place between the merchant/s and Mr T. And I don't think I can reasonably say that this was definitely a scam. That's because at this time (and the time of the payments) there are no warnings about the merchants involved here by the Financial Conduct Authority (FCA) or on other alert portals such as the International Organization of Securities Commissions (IOSCO).

Mr T said that he checked online via reputable review websites before deciding to invest. I can see that there were reviews at the time that mentioned similar circumstances to the one Mr T has said happened to him. But there are also other reviews complementing the merchant/s on the service they received. It's not for me to decide on the stronger validity of those online reviews here. Only for me to consider whether TSB reasonably concluded that the merchant wasn't behaving fraudulently.

As a result, I don't think TSB has unfairly concluded that Mr T wasn't the victim of a scam and therefore isn't covered under its fraud guarantee.

Could TSB have done more at the time of the £25,000 payment?

Where there is an interaction between a customer and a bank before a high value payment is processed, as there was here, I'd expect the bank to take reasonable steps to understand the circumstances of that payment.

TSB didn't stop the £25,000 payment Mr T made here. I think it reasonably should've stopped that payment and spoken to Mr T at the time. But for similar reasons that our Investigator has said and I've mentioned above, I don't think it would've been able to uncover the scam or provide a warning that would've stopped Mr T from continuing with his decision.

TSB's primary obligation was to carry out Mr T's instruction without delay. It wasn't to concern itself with the wisdom or risks of his payment decision. And TSB didn't have any specific obligation to step in when it received a payment instruction to protect its customers from potentially risky investments because this wasn't an investment TSB was recommending or even endorsing.

TSB's role here was to make the payment that Mr T had told it to make. Mr T had already decided on that investment. And I find that TSB couldn't have considered the suitability or unsuitability of a third-party investment product without itself assessing Mr T's circumstances, investment needs and financial goals.

Taking such steps to assess suitability without an explicit request from Mr T (which there wasn't here) would've gone far beyond the scope of what I could reasonably expect of TSB in any proportionate response to a correctly authorised payment instruction from its customers.

Here, Mr T had already completed his research despite negative reviews on some websites. As a result, even if I don't think TSB had suggested to him to check on the FCA's website, I don't think Mr T or TSB would've found anything of concern. That's because one of the merchant's involved in the trading was already a regulated company, and as I've said above, there were no regulatory warnings about any of the merchants involved at the time the £25,000 payment was made.

Chargeback

Mr T says he initially contacted TSB about a chargeback in early February 2024 on 4 and 7 February. By Mr T's own admission, he said he *"began the process on day 118"*.

TSB has said the dispute form wasn't returned to it completed until 15 February 2024. I note Mr T feels that TSB wasn't very helpful when he initially raised the chargeback. But I don't think it's unreasonable for TSB to request a dispute form be completed with any supporting evidence before the chargeback is raised. I appreciate Mr T considered this to be delaying tactics on the part of TSB, but I don't agree. He only contacted TSB very late in the 120-day window to raise a chargeback and TSB doesn't make the chargeback rules in terms of the restriction on when a chargeback can be raised and the level of information needed to raise one. Ultimately, TSB needs to submit the information in line with the rules set by the scheme provider (Visa). So, I don't think I can fairly say the chargeback being raised so late in the 120-day window was because of TSB's actions or lack of.

As a result, I don't think TSB unfairly responded to say that the chargeback had been raised more than 120 days from the date of the £25,000 payment on 12 October 2023. So, I'm satisfied that TSB didn't unfairly reject Mr T's request for a chargeback.

I have a great deal of sympathy for Mr T and the loss he's suffered. But it would only be fair for me to direct TSB to refund his loss if I thought it was responsible – and I'm not persuaded that this was the case. And so, I'm not going to tell it to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 25 July 2025.

Mark Dobson
Ombudsman