

The complaint

Mr C complains TSB Bank plc didn't do enough to protect him when he fell victim to a cryptocurrency investment scam.

What happened

Mr C has an account with TSB. He also has accounts with businesses who I'll refer to as "R" and "S" throughout the rest of this decision.

Mr C says he was introduced to a trading group by a woman he'd met online who he considered to be a good friend – he was looking to invest at the time. He says he thought the group was genuine having done some research online and having been added to a group chat. He says he was told to open a trading account and told that he'd need to make payments from his accounts to a cryptocurrency exchange and then transfer the cryptocurrency he bought to another wallet in order to invest. He was, in fact, speaking to scammers.

Mr C says he started making payments in September 2022 and could see his investment on the platform was growing. He says he made 40 payments totalling just over £80,000 from his account with TSB for onward investment – most of which went via his other accounts. Towards the end of the scam, he was told his investment was worth over £500,000. He says he tried to withdraw his money and was told he'd have to pay various fees. He says he never received his money, just excuse after excuse. He ultimately realised he'd been scammed.

Mr C complained to TSB in February 2024 with the help of a representative saying that TSB should have intervened when he made a payment of £10,000 to his account with R on 7 February 2023. Mr C's representative told TSB that Mr C was vulnerable to scams at the time through chronic stress and anxiety. They claimed under TSB's fraud guarantee.

TSB refunded some payments from 2021 that had gone directly to cryptocurrency under its fraud guarantee. It said that as the rest of the payments had gone via his other accounts – and these were established beneficiaries – its fraud guarantee didn't apply and it wouldn't be able to offer a refund. Mr C wasn't happy with TSB's response or the response he got from R – who he also complained about. So, he complained to our service.

One of our investigators looked into both of Mr C's complaints. They didn't recommend that his complaint against TSB be upheld saying that all of the payments he'd made had gone to established payees – accounts in his own name that he'd been transferring money to for many months without incident – and weren't unusual. They didn't recommend that his complaint against R be upheld either. Mr C was unhappy with our investigator's recommendations and asked for their complaints to be referred to an ombudsman for a decision. Both complaints were, as a result, passed to me.

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.

Mr C's representatives originally sent a list of payments that they said were scam payments that started in March 2022. They've since confirmed that those earlier payments were not part of a scam. The scam payments started in September 2022. Shortly after that – in October 2022 – one of Mr C's banks, namely S, stopped sending payments to cryptocurrency. Mr C had been sending his payments from TSB to S and then onto cryptocurrency before then – because TSB also blocked payments to cryptocurrency – so instead starting sending his payments via R.

Mr C's representatives have said that TSB should have identified a £7,000 payment Mr C made to his account with R on 7 February 2022 as unusual or suspicious. Had that payment being to cryptocurrency, I might be inclined to agree. However, it wasn't. It was a payment that Mr C was making to an account in his own name and, more importantly, an account that he'd been made multiple payments to for many months without incident. In other words, an established and safe payee as far as TSB was concerned. The same applies to the payments that Mr C made to his account with S. Because of that, I agree that TSB couldn't fairly or reasonably have been expected to prevent Mr C from making losses as it had no reason to intervene. I haven't upheld Mr C's complaint against R on another ground that would equally apply here – namely that intervention wouldn't have made a difference.

Given everything I've just said, I agree that this isn't a complaint I can uphold. I appreciate that Mr C has lost a lot of money and has fallen victim to a cruel scam.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 23 December 2024.

Nicolas Atkinson
Ombudsman