

## **The complaint**

Mr B complains that Tesco Personal Finance Limited trading as Tesco Bank (“Tesco Bank”) has failed to protect him from losing money to a scam.

## **What happened**

The background to this complaint is well known to the parties, so I won’t repeat everything here in detail. In brief summary, Mr B has said that in April 2023 he received a cold call from someone purporting to be from a company, who explained that they’d located an investment he’d made a couple of years previously; that he had a dormant account with the company since then, and that he could either leave his account, or “liquidate it” to unlock the Bitcoin stored in it. Mr B has said, having dabbled with cryptocurrency investments through an account with the company opened several years ago, this resonated with him. What followed, Mr B has said, is that he was tricked into making payments to the scammers to obtain his funds from the company which never then materialised.

Ultimately, Tesco Bank didn’t reimburse Mr B’s lost funds, and Mr B referred his complaint about Tesco Bank to us. As our Investigator couldn’t resolve the matter informally, the case has been passed to me for a decision.

I sent Mr B and Tesco Bank my provisional decision on 28 February 2025. Now both parties have had fair opportunity to respond, I’m ready to explain my 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.

Having done so, I’ve reached the same conclusions and for the same reasons as explained in my provisional decision. I note Mr B’s response to my provisional decision and the points made. But these points haven’t changed my mind, and I don’t have anything to add on my reasoning for not upholding the complaint than previously explained in my provisional decision, which explained why I wasn’t persuaded it would be fair to hold Tesco Bank responsible for Mr B’s losses in this case. I’ve explained the reasons for my decision again below.

Our Investigator thought there is insufficient evidence Mr B actually lost money to a scam. Mr B’s representative challenged this. But even if I accept Mr B’s representative’s position that there is sufficient evidence a scam took place, there still isn’t concrete evidence that all the payments were actually lost to scammers: Mr B’s lack of clarity in some instances, and surety around the cryptocurrency wallet transfers, creates some doubt around this. But in any event, even if I accept that Mr B was scammed, I’m not persuaded it would be fair for me to uphold this complaint about Tesco Bank. I say this because ultimately Mr B has suffered his loss because of fraudsters, and this doesn’t automatically entitle him to a refund from Tesco Bank. It would only be fair for me to tell Tesco Bank to reimburse Mr B his loss (or part of it) if I thought Tesco Bank reasonably ought to have prevented the payments (or some of them) in the first place, or Tesco Bank unreasonably hindered recovery of the funds

after the payments were made; and if I was satisfied, overall, this was a fair and reasonable outcome.

I'm satisfied Mr B authorised the relevant payments. Tesco Bank would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Mr B is presumed liable for the loss in the first instance, in circumstances where he authorised the payments. That said, as a matter of good industry practice Tesco Bank should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect Tesco Bank to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

In this case Tesco Bank has said that Mr B opened his account in January 2023, and that there were a number of large transactions into his account from January to March 2023, including three for £20,000. So it says Mr B's payments out of the account, starting from 29 April 2023 onwards which Mr B says he lost to the scam, wouldn't have seemed so unusual as to warrant fraud checks or intervention. What Tesco Bank has said about this might not be completely without merit. But in any event, I understand these payments out of Mr B's Tesco Bank account were made to his newly set up account with Wise, and I'm concurrently, at the same time as this decision, issuing a decision on Mr B's linked complaint at this service about Wise.

I can see that Wise did intervene. What's more, Mr B spoke with Wise on 19 June 2023 because he was concerned he was being scammed. During that conversation, which I've listened to a recording of, Wise realised Mr B was in all likelihood being scammed, it told him this. Mr B even said that he would pay no more money to the scammers. But unfortunately, it's evident that Mr B went away and proceeded to engage further with the scammers after this call, and was then persuaded by them to pay them more money.

I've thought carefully about whether any reasonable intervention from Tesco Bank ought reasonably to still have been able to prevent Mr B's loss. But for the same reasons as explained in Mr B's linked complaint about Wise, I'm not persuaded it would have. Unfortunately we do see cases whereby scam victims are persuaded by scammers to continue to make payments even after they've been warned by their payment service provider that they are being scammed. And given Mr B was persuaded by the scammers to make more payments, even after his call with Wise on 19 June 2023 when he was warned he was being scammed, I'm not sufficiently persuaded here that any reasonable level of proportionate intervention from Tesco Bank is most likely to have prevented Mr B losing this money to the scammers.

I've thought about whether there was an opportunity that Tesco Bank missed to recover these funds, but given that they were paid to Mr B's own account, I'm not persuaded that there was. This means I'm not persuaded I can fairly say Tesco Bank unreasonably hindered recovery of the funds.

I'm sorry if Mr B was scammed and lost this money. He has my sympathy. However, I can't fairly tell Tesco Bank to reimburse him in circumstances where I'm not persuaded it reasonably ought to have been able to prevent his loss.

### **My final decision**

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 April 2025.

Neil Bridge  
**Ombudsman**