

The complaint

Mrs D complains that TSB Bank plc won't refund money she paid for building work, to a person I will call "J", that wasn't completed. She says she was scammed and wants TSB to refund her loss.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But in summary and based on everything sent by both parties, I understand it to be as follows.

Mrs D hired J to carry out some work on her home. She paid for a new roof and indoor refurbishment work, which were to be provided by two companies I will call "A" and "B". J was director of both companies.

While the roof work was carried out, it wasn't installed correctly and needed repairing before the indoor refurbishments could take place. Mrs D says the roof repair wasn't completed, and that she didn't hear from J again.

Mrs D raised a complaint to TSB regarding the money she paid for the internal work which was never started. For this work she paid £16,200 and believes she has been scammed.

TSB looked into the complaint, but they didn't have any concerns that the business was fraudulent meaning they couldn't progress her claim any further or provide a refund. They did however offer £75 in compensation for trying to trace the payment, when they should have considered raising a fraud claim.

Mrs D brought her complaint to our service. Our Investigator was also of the view that the matter was a civil dispute. He explained that even though the refurbishment work wasn't started, the roof was completed (albeit to a poor standard) which isn't in line with usual scam patterns. He also explained that he had contacted the receiving bank, and he couldn't be satisfied that Mrs D's funds had been used for anything other than building materials. As he couldn't find any fault on TSB's behalf, he wasn't able to ask them to refund any of the money lost.

Unhappy with our Investigator's view, Mrs D asked for her complaint to be reviewed further. So, it's been passed to me to decide.

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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it, it's just that I'm satisfied 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 it simply reflects the informal nature of our service as a free alternative to the courts.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. TSB is expected to process authorised payment instructions without undue delay. But as a bank, they also have long-standing obligations to help protect customers from financial harm from fraud and scams.

I have considered TSB's fraud guarantee here, which can offer a refund to customers who have fallen victim to fraud. While the guarantee has a wide scope, there are situations where it doesn't apply. One of these situations is where TSB believe the customer hasn't been the victim of fraud or a scam, but that their circumstances amount to a civil dispute instead.

So, I must consider whether J was more likely than not a genuine business provider, who hasn't fulfilled the agreement with Mrs D, or whether there was intent to scam her from the outset.

In the circumstances of this complaint, on balance, it appears most likely that Mrs D made payments to a legitimate individual for work to be completed on her home. This is because she paid for work that was carried out and completed on the roof by A (albeit to a standard below what was expected).

And while I accept Mrs D isn't disputing the payments made in relation to the roof, I must note that the breakdown in relationship seems to have materialised when J was told the work on the roof hadn't been done to the correct standard. Up until that point everything appeared to be going as planned. J brought a builder to inspect the roof as the internal renovations couldn't be started until the roof had been finished. It was only at this point that J ceased contact with Mrs D, leaving the renovation work and roof repair still to be completed.

Of course, we don't know what would have happened had the roof work been done correctly. The refurbishment work could have been done, or J could have still ceased contact without doing anything further. What I have to consider is what's most likely the case here, given everything I have.

I have also considered that Mrs D has provided copies of an invoice she says isn't legitimate. It wouldn't be for me to determine whether or not the invoice is a legitimate one, but putting that aside, it doesn't detract from the fact that money was paid to J and then used to purchase materials for work that was carried out.

Having considered everything, I'm not satisfied the high bar for fraud has been met. I say this as our role isn't to adjudicate on contractual disputes between parties. And the fact that work on the roof was carried out doesn't support the assertion that it was a scam designed to steal Mrs D's money from the outset. In my view, it lends weight to this essentially being a business dispute, or a potential breach of contract between Mrs D and J (acting as director for both A and B), where she has taken money without fully completing the work that was agreed. It is usually the case that once a scammer obtains funds, they will cease all contact immediately. This didn't happen here as J did carry out the roof work for Mrs D, which was quite substantive, before ceasing contact after being told it needed to be repaired. She also invited a builder to assess the work that had been done. It therefore wasn't an immediate breakdown in the relationship between both parties.

I have also looked at the statements provided for the receiving account. These appear to demonstrate that the funds sent by Mrs D were sent to local roofing and building merchants. And so, it doesn't appear as though the funds were used for other purposes outside that of undertaking building renovations, or that they were moved straight out of the account to another personal account for example. J's bank have also confirmed that they haven't received any other reports or complaints regarding her acting fraudulently.

Overall, I'm here to decide if I think it's most likely Mrs D has been the victim of fraud or a

scam in sending the payments. As I explained, TSB have obligations to protect their customers from financial harm from fraud and scams. But, given I can't be satisfied there was a scam here to prevent, I can't say the guarantee should apply as civil disputes aren't covered. Nor can I say that TSB were required to try to recover the funds upon being notified by Mrs D that she considered she'd been scammed (although as mentioned above I note they did contact J's provider but were advised that no complaints had been made against her).

So, while I understand Mrs D's strength of feeling on this matter, and while I'm sorry she's lost money to J and received a poor service in relation to the work she paid for, I don't feel it's been sufficiently demonstrated that J intended to, or has defrauded her. And so, it follows that I don't find TSB need to do anything more in these circumstances.

I don't underestimate the impact this has had on Mrs D as she has lost a significant amount of money. However, it is simply the case that I don't consider I can fairly and reasonably hold TSB liable for that loss.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 24 July 2025.

Danielle Padden
Ombudsman