

The complaint

Mr G complains that TSB Bank plc won't completely refund him for payments he made as a result of a scam.

What happened

Mr G was the victim of a fraudulent investment company that I'll refer to as W. Using remote access software, W guided him through sending money (that was in part proceeds of lending) to a newly opened account with Wise, before it was transferred to third party accounts. Mr G believed the money was being deposited on his trading account with W, but in fact, the investment was fake and his money went to fraudsters.

Mr G later tried to withdraw what he believed he'd earned, but it didn't materialise. And when communication with W stopped, he realised he'd been scammed.

In May 2024, Mr G raised a complaint with TSB via professional representatives. In summary, this said TSB failed to protect him from the scam. TSB upheld the complaint in part. It didn't agree that the payments ought to have been flagged for additional checks. But it refunded £765.00 which was Mr G's losses that didn't come from external lending. For these losses, it directed him to resolve the matter directly with the lending providers.

Unhappy with this response, Mr G brought the matter to our service. Our investigator noted TSB's Fraud Refund Guarantee that was in place at the time. They said this didn't exclude the situation where Mr G had borrowed money. And, as the losses hadn't been recovered elsewhere, they recommended TSB refund them in full, alongside interest to compensate him for the time he's been out of pocket.

TSB disagreed, saying it's up to each external provider to unwind the lending or write the debt off. However, it did offer to refund an additional £1,200.00 of Mr G's losses.

Given the disagreement, the complaint has been passed to me to make a final decision. For ease of reference, I've included a table below showing the relevant transactions that formed part of the scam. And I've highlighted in bold the transactions where Mr G's money was lost to fraudsters. To be clear, Mr G sent £27,570.00 to his Wise account as part of the scam, and he received £1,490.00 back. That means he lost £26,080 from the scam (which tallies up with the total of the two payments to third parties). TSB has since refunded £756.00, which means the remaining losses in dispute are £25,324.00.

I've noted that Mr G's representatives didn't specifically highlight the transaction for £5,700.00 when it made the complaint, and it's since been confirmed as part of the scam. From the investigation notes, I can see TSB considered it before the complaint came to us – and it's not disputed our investigator's consideration of the payment. So it will also form part of the remit of my final decision.

Date	Description	Amount
10 November 2021	Transfer from Mr G's TSB account to his Wise account	-£100.00

15 November 2021	Transfer from Mr G's Wise account to his TSB account	+£80.00
18 November 2021	Transfer from Mr G's Wise account to his TSB account	+£20.00
18 November 2021	Transfer from Mr G's TSB account to his Wise account	-£2,000.00
19 November 2021	Transfer from Mr G's Wise account to his TSB account	+£300.00
23 November 2021	Transfer from Mr G's Wise account to his TSB account	+£84.00
23 November 2021	Loan received into Mr G's TSB account.	+£20,000.00
23 November 2021	Transfer from Mr G's TSB account to his Wise account	-£9,800.00
24 November 2021	Transfer from Mr G's TSB account to his Wise account	-£9,970.00
23 November 2021	Transfer from Mr G's Wise account to a third party account	-£20,380.00
30 November 2021	Transfer from Mr G's Wise account to his TSB account	+£500.00
7 December 2021	Credit card cash transfer received into Mr G's TSB account	+£5,670.00
7 December 2021	Transfer from Mr G's TSB account to his Wise account	-£5,700.00
7 December 2021	Transfer from Mr G's Wise account to a third party	-£5,700.00
11 June 2024	Remaining funds returned from Mr G's Wise account	+£506.00
24 June 2024	Compensation paid from TSB in relation to the complaint	+£756.00

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 outcome as our investigator for these reasons:

- TSB says it's not responsible for Mr G's losses that stemmed from borrowing – and it's up to each external provider to unwind the lending or write the debt off.
- I've considered TSB's Fraud Refund Guarantee, and I've not seen this situation would reasonably fall under any of the exclusions it's listed. And given that the guarantee is there to refund innocent victims of fraud (which it's not been disputed Mr G is) and that it purports to offer more protection than any other bank, I'm persuaded that Mr G's complete losses ought reasonably to fall under the scheme.
- In saying this, I've considered that Mr G could have a claim with his lenders too. But he hasn't chosen to complain about them, and I can't compel him to do so. I'm also satisfied that he's not recovered this money elsewhere, so he won't be unjustly enriched by compensation from TSB.
- In these circumstances, I don't think it's fair to reduce his compensation because he's only complained about one firm, as I consider that TSB is responsible for the entirety

of his losses under its Fraud Refund Guarantee.

- Taking this all into account, I'm persuaded TSB needs to put things right here, by refunding Mr G's outstanding losses from the scam, which as I've set out above, I understand to be £25,324.00. It should add 8% simple interest per year on this amount, to compensate Mr G for the time he's been out of pocket.

My final decision

For the reasons I've explained, I uphold Mr G's complaint. TSB Bank plc must:

- Pay Mr G his outstanding losses from the scam, which I understand to be £25,324.00.
- Pay Mr G 8% simple interest per year on this amount, from the date of the disputed payments to the date of the settlement (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 August 2025.

Emma Szkolar
Ombudsman