

## **The complaint**

Mrs S complains that TSB held her liable for a failed cash withdrawal and didn't carry out an effective investigation.

## **What happened**

Mrs S used one of a bank of three automated teller machines (ATM) regularly. She was withdrawing cash for a project at home and her daily withdrawal limit was £500. The ATM could only dispense £250 per transaction, so she generally used the ATM twice to obtain the £500 she needed.

On 29 October 2024, Mrs S explained that she used her regular ATM and withdrew £250. She then put her card back into the ATM to withdraw a further amount, but the ATM didn't complete the transaction and gave her the card back.

Mrs S said she then went to the ATM next to it, put her card in and asked for £250. The ATM gave her card back and then nothing further happened. She waited at the machine for a short time and spoke to a man who was using the third ATM and advised him not to use the one she was at as there appeared to be a problem with it. Mrs S confirmed she didn't receive any cash from the second ATM. She also later confirmed that she didn't put her card into the ATM a second time.

Mrs S went back to her car which was still in sight of the ATM and checked her online TSB account which showed the funds had been dispensed. Mrs S then returned home and reported that she had a very frustrating experience trying to report the problem with the ATM. She eventually was able to report the issue and TSB confirmed they'd temporarily recredit the funds whilst they looked into what had happened.

Mrs S said she heard nothing for some time and assumed the matter had been dealt with until about a month after the event she noticed a payment out of her account for £250 which she didn't recognise making. This caused her to panic as she thought her account had been hacked. At the time there was a substantial balance in the account and Mrs S then spent about four hours trying to get through to TSB's fraud team.

Mrs S couldn't get through but managed to freeze her account and travelled to her local branch the next day. The branch were able to explain the £250 was linked to the cash withdrawal and TSB were taking it back based on evidence they'd received from the ATM operator.

Mrs S was told that TSB had sent her an email some weeks earlier to advise her that they were going to recover the money. Mrs S said she never received it and both her and the branch member checked her email account (junk/deleted mail etc) which showed no email had been received.

Mrs S asked to speak with the relevant team and waited for a call. She said she never received one, but the original letter was resent which Mrs S received by email.

Mrs S again travelled to her branch a few days later to lodge a complaint about the situation. She then explained her frustration with TSB's handling of her complaint. She spoke once with an investigator before they issued their final response to her complaint. Mrs S said she attempted to speak on a few occasions with the relevant investigator and was told she'd be called back but wasn't.

Mrs S had issues with how they handled the complaint and didn't believe they'd investigated the matter properly. She also believed that CCTV would have helped her complaint, but this wasn't reviewed by TSB.

TSB's final position hadn't changed in respect of the withdrawal based on the evidence they'd received from the ATM operator. They did acknowledge that the communication could've been better and arranged to pay £25 for the level of service provided.

Mrs S remained unhappy with TSB's response and brought her complaint to the Financial Ombudsman Service for an independent review. The investigator asked both parties to provide information about the issue and Mrs S confirmed what had happened and explained how she felt let down by TSB.

TSB provided details of their investigation and detailed audit information for the second ATM.

The second ATM showed one successful withdrawal of £250. It then showed Mrs S's card being re-entered and a second £250 requested which was declined as the daily £500 limit had been reached. They argued that the agreement they had with the operator set out the levels of evidence required to establish whether the withdrawal was successful or not and as these had been met, they considered the withdrawal was successful.

The investigator asked for some further information, including detailed audit information from the first ATM. TSB confirmed the second ATM had been "balanced" some days after Mrs S reported issue and no additional funds had been detected. They said they weren't able to ask for the details of the first ATM as the agreement they had meant they could only ask for information on the disputed transaction. TSB believed they'd provided this.

The investigator considered the information provided and wrote her recommendations that TSB refund £250, add interest and pay an additional £50 for the distress and inconvenience caused to Mrs S.

TSB disagreed and argued that the level of evidence they'd provided was sufficient to show the withdrawal was successful. They asked for a further review of the complaint.

As no agreement could be reached, the complaint has now been passed to me for a decision. As part of my own investigation, I asked TSB to provide information from the operation of the first ATM as I considered it relevant to the issue experienced by Mrs S. Her testimony about the ATM usage didn't match the audit data provided by TSB. TSB responded and advised the request wasn't possible for them to undertake based on the agreement they had with the ATM operator, and it was now outside the timescales for raising queries.

### **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.

Both parties here dispute what happened at the ATM(s). Mrs S is adamant that she used the first ATM and received £250, she then re-entered her card before it was rejected and only used her card once at the second ATM.

TSB obtained evidence only from the ATM showing two uses of the card with a successful withdrawal and a rejection based on the daily limit being reached.

Mrs S used two ATMs, but TSB have only provided details of the one they believe had the issue. It's unfortunate that the details of the other ATM haven't been provided as this would've given a fuller picture of the technical ATM evidence.

TSB have referred to the agreement they have with the ATM operator which sets out certain procedures for dealing with failed withdrawals. I acknowledge this is how TSB approach such issues, but they're also aware they have to satisfy the Payment Service Regulations 2017 when someone claims a withdrawal wasn't successful.

The details are set out in Section 75 of the act, which says:

**75.—(1) Where a payment service user—**

**(a) denies having authorised an executed payment transaction; or**

**(b) claims that a payment transaction has not been correctly executed,**

**it is for the payment service provider to prove that the payment transaction was authenticated, accurately recorded, entered in the payment service provider's accounts and not affected by a **technical breakdown or some other deficiency in the service provided by the payment service provider.****

1 (b) is relevant in this complaint. So in order for the payment service provider (here TSB) to hold Mrs S liable for the withdrawal, they are required to satisfy the above requirements – which I've highlighted in bold above.

What that means for Mrs S's complaint is that TSB are required to show the ATM was working properly. As they don't operate it, they use the agreement to request information from the operator of the ATM.

Mrs S has explained she was withdrawing funds for a building project and had used the bank of ATMs before. She explained how she had to make two withdrawals and was used to this happening based on the limits of the machine and her account. So, it's apparent to me Mrs S was practiced in how these particular ATMs operated. She said she'd never had a problem before and up till this point had used only one ATM.

Her testimony of moving ATMs after the first one broke down is what I'd expect most people would do in a similar situation. She also confirmed she'd never re-entered her card into the second ATM. This is somewhat different to the data provided by TSB.

At the time of the withdrawal, Mrs S had a significant amount of funds in the account. Whilst the account balance is not directly relevant to the complaint, it does provide a broader picture of her need for the refund. Mrs S has continually denied receiving the funds and I've thought about the activity at the ATM to consider whether it could've been dispensed without her awareness and perhaps taken by someone else.

I don't think that's the case here as Mrs S said she waited at the ATM after receiving her card back for a little while before going to her car, which I understand was in sight of the ATM. The other person was seen to take their own funds from the third ATM, so it's unlikely that somehow the ATM dispensed the cash without Mrs S's knowledge and then someone

else took it. That ATM wasn't then used for about ten minutes – which indicates there wasn't a queue of people waiting to use the ATMs.

TSBs audit data shows the first withdrawal was successful, followed by a declined transaction because the daily limit had been reached. Without the full picture of what happened at the two ATMs, it's difficult to be sure what took place. Whilst I acknowledge that TSB think the evidence they provided is sufficient to decline the claim, I have to take each parties submissions into account. If the withdrawals had both been successful, I doubt very much that Mrs S would've been in touch with TSB.

Her testimony supports the conclusion that there was a problem with the ATMs and she didn't receive her cash. I understand this a finely balanced complaint and TSB will no doubt disagree, but based on an objective review of the evidence, I think there's sufficient doubt concerning the operation of the ATM that supports Mrs S's claim that she only received £250 that day. Accordingly, I'm going to uphold her claim about the refund.

I've also reviewed the investigation into the matter and it's apparent that Mrs S struggled to get through to TSB at various stages of the process. I can't be sure why that is, and TSB have no record of Mrs S calling them (this isn't surprising because she couldn't get through) when they took the refund back.

I don't doubt that Mrs S was taken by surprise when the refund was reclaimed, considering she's told us she assumed the matter had been dealt with. TSB said they sent the letter, although I haven't seen the evidence to show it's delivery by email (just a copy of the letter).

Whilst I don't doubt what TSB have said, the impact on Mrs S was clear in the distress she talked about. She believed her hard-earned funds were under attack because she was not aware that TSB were taking the funds back.

I also noted that she was expecting calls back which didn't appear to have happened, although the investigator did speak with Mrs S at one point. TSB did communicate with Mrs S, but they themselves thought this could've been better and I agree. I think the lack of communications concerning the refund did cause Mrs S unnecessary distress and inconvenience, including her having to attend her branch on a few occasions, so I think a small increase to the £25 already offered is warranted here. I agree with the investigator's recommendations that a further payment of £50 be made by TSB for their handling of the matter. Additionally, they should pay simple interest at 8% per annum from the date they took back the temporary refund to the date they repay it, for the loss of the use of those funds.

I understand Mrs S wanted CCTV reviewing. There's usually no particular reason for TSB to do this and in this case they didn't control the CCTV, so it's doubtful they could get it anyway. Without seeing the coverage, it's not possible to say if it would've been useful or not. I won't be asking TSB to do anything further in respect of this particular issue.

## **My final decision**

My final decision is that I uphold this complaint and TSB Bank plc and in order for this complaint to be settled, they're now required to :

- Refund the £250 failed ATM withdrawal.
- Pay an additional £50 for the unnecessary distress and inconvenience caused by

TSB.

- Pay simple interest at 8% per annum from the date the temporary refund was taken back to the date it's refunded.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 1 September 2025.

David Perry  
**Ombudsman**