The complaint

Miss A complains that TSB Bank plc's timescales for chasing international transfers caused her financial loss as she had to make additional payments which turned out to be scams.

What happened

Miss A asked TSB to make two payments, one of £65 on 7 October 2024, the other of £30 on 10 October 2024 to an individual in India. Both transfers incurred a fee of £10 meaning Miss A's account was charged a total of £115. Miss A understood from the documentation she completed that the money would arrive within three days.

According to the notes from TSB, Miss A visited a TSB branch on 18 October 2024 to say the recipient of the funds had been told by their bank the money was being returned to the UK because Miss A had no previous relationship with the recipient. The funds hadn't been returned to Miss A's account and so Miss A raised a complaint. She believed the payment would arrive with the recipient in three days and thought the money should therefore have been returned to her by now, but TSB said the timescale was twelve working days not three. TSB also told her a trace couldn't be put on the funds until the twelve working day timescale had expired. TSB apologised for the misinformation and awarded £50 for the distress and inconvenience.

Miss A then made a new payment with a money transfer organisation which did credit the recipient. This payment was made in late October. Miss A contacted the money transfer organisation on 13 November 2024 to say she believed the transaction was fraudulent. At this point, TSB were still attempting to trace the funds originally sent.

TSB's notes state that Miss A told it she had concerns over the genuineness of the transaction and the recipient on 3 December 2024 and arranged a refund of the two payments and associated fees it had charged on 13 December 2024. Miss A says she informed TSB of this fact much earlier.

Miss A asked for her complaint to be re-opened because if TSB's timescales for chasing payments had been shorter, she wouldn't have made the new payment and so wouldn't be out of pocket. She further complained that TSB hasn't responded to the re-opened complaint.

Miss A brought her complaint to this service where one of our investigators considered the merits of Miss A's concerns. They said, in summary, that TSB had apologised for the misinformation and awarded compensation of £50 which they felt was sufficient. They also said TSB had started a trace as soon as it was able and had chased this regularly.

They didn't feel TSB could be held responsible for the loss Miss A had incurred by sending the funds by another means as it was following its procedures.

Miss A disagreed with our investigator's opinion. In short, she said that if TSB's timescales had been shorter, she wouldn't have made the new payment and so wouldn't now be out of pocket.

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, whilst I appreciate this will come as a great disappointment to Miss A, I don't intend to uphold this complaint. I hope my explanation will satisfy Miss A that I've taken all that she and TSB have said into account before reaching my decision. Where there is a dispute as to what happened, I have based my decision on what is most likely to have happened – the balance of probabilities – as I'm required to do.

I think it's important to be clear here what powers the Financial Ombudsman Service, and therefore I, have. If a business, in this case TSB, has made a mistake, I can tell it to put right that mistake by putting the customer back in the position they would've been in had the mistake not happened. And I can award compensation for distress and inconvenience. But I can't tell a business to change its procedures or working practices – that's the role of the regulator, the Financial Conduct Authority. So, I can't, as Miss A wants me to do, find against TSB because she thinks its timescales are too long. Those are the timescales they've elected to use and so long as they've been kept to, I can't say TSB has done anything to put Miss A at a disadvantage. So, it's TSB's application of its procedures that I'll be considering in my decision.

In my opinion, there are two fundamental issues here which Miss A has raised and upon which I will comment and make my decision. These are:

TSB incorrectly advised Miss A that the timescale for International Transfers was three days and subsequently confirmed it to be twelve days.

TSB has acknowledged it gave Miss A incorrect information, apologised, and awarded compensation of £50. I believe this is a reasonable outcome for this part of Miss A's complaint and is in line with what I might've awarded if TSB hadn't already done so. I don't intend to make any further comment on this aspect of Miss A's complaint.

TSB's excessive timescales led to Miss A making a further payment which turned out to be a scam.

When Miss A visited the TSB branch on 18 October 2024, according to TSB's notes, she told it that the payments she'd sent weren't going to be credited to the recipients account because she'd had no previous connection with that individual. The funds were said to be being returned to the UK for re-credit to Miss A's account.

TSB said it had to wait twelve working days before it could start a trace. As the first payment was made on 7 October 2024 and the second on 10 October 2024, according to my calculations, the earliest date both payments could be chased was 23 October 2024 and 28 October 2024. TSB's internal notes show that a message was sent on 30 October 2024 with a chase date set of 6 November 2024. Further messages were sent to India weekly thereafter.

Miss A did request that TSB stop the payments on 15 November 2024 and it's possibly this that Miss A is saying was her notification that the payments were a scam. Because she'd also advised the money transfer business that the payment she'd made through them was a scam at around the same time. But she was advised this couldn't be done as TSB didn't know where the funds were – hence the trace. I consider that TSB's actions here have been reasonable – it continued to chase the trace it had put on the funds which the Indian bank wasn't responding to. That's not something TSB had any control over. And in any event, at that point TSB knew that the payments weren't going to be credited to the scammer because they'd been returned by the Indian bank. So, there was no possibility Miss A's funds were going to be lost to a scam.

Miss A says she wouldn't have made the money transfer if TSB's procedures had been shorter. TSB has entered a note on 18 October 2024 following Miss A's visit to the branch. It says:

> Customer visited branch to inform that she had heard from recipient of international funds transfer and that xxx were refusing to distribute both payments to their account – reason given our customer has not had any previous relationship with the recipient but have not asked for any evidence and have advised funds will be returned to UK bank account – customer wanted to use bank as felt this was safer rather than using xxx or another Money Transfer resulting in further fees. She is awaiting the funds being returned to her TSB account and will then review situation.

I've anonymised the names of the organisations stated in TSB's notes by using xxx.

Miss A knew on 18 October 2024 that the money she'd sent via TSB was being returned. So, she had a decision to make. Did she still want to pay the person she'd originally tried to pay despite the first transfer having failed or not? Miss A chose to resend the funds as she's confirmed they were sent via money transfer in late October.

Miss A said in her complaint to this service:

> I explained to TSB due to the excessive timescales and no response, I am not happy with the service from TSB, I will send the payments via another method which I did in good faith in November with a money transfer provider.

As I said at the opening of this decision, I can't say whether TSB's timescales for chasing payments are excessive or not. The length of time before the chase is started is a business decision and one that I can't interfere with. But what I can consider is whether TSB's actions led to an unfair or unreasonable outcome for Miss A. Clearly, she believes it did because she lost money. But I'm not persuaded of that. The process of making payments overseas is sometimes complex with several financial institutions being involved to route the money to its final destination. So, the timescale for money reaching that destination can seem to be overly long when in fact it's just a result of the number of stages it has to go through.

I don't believe TSB's timescale of 12 days is unnecessarily long. I think that's a reasonable time to allow the payment to either credit the recipient or be returned. This is also TSB's set procedure and so Miss A wasn't being treated differently to any other customer. And Miss A has confirmed she sent the money transfer in October at which time the original chase hadn't yet happened.

So, I don't consider that TSB's actions directly led to the financial loss incurred by Miss A and so I don't find that it should be liable for repayment of that loss.

For the reasons given above, I consider that TSB has dealt fairly with Miss A's complaint and I'm not requiring it to do anything further.

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 Miss A to accept or reject my decision before 18 August 2025.

Stephen Farmer
Ombudsman