

The complaint

Mrs B complains TSB Bank plc allowed transactions to debit her account which she says she did not make or authorise.

What happened

On 21 September 2024, Mrs B discovered two faster payments for £2,350 and £950 had been made on her current account the day before. She reported these transactions to TSB as fraudulent the same day.

TSB agreed to refund the transactions as it agreed they'd not been made by Mrs B. But Mrs B remained unhappy that TSB had not, in her view, given a sufficient explanation as to how it was possible for the transactions to have been made by someone else.

A further disputed transaction took place on another of Mrs B's accounts on 8 October, this was a card payment for £10. Again, Mrs B reported this transaction to TSB and it agreed to refund it – though it took nearly a month for this to happen. But as before, Mrs B remained unhappy with the lack of explanation from TSB as to how the transaction was made.

Mrs B complained to TSB. TSB responded to say they couldn't provide a definitive explanation for how the fraudsters had managed to make transactions on Mrs B's accounts. But it paid Mrs B £75 for customer service issues she'd received.

Mrs B remained unhappy so she referred her complaint to our service.

An Investigator considered the circumstances. She said, in summary, she was satisfied that the transactions weren't caused by something TSB had done. And while she understood Mrs B's reasons for wanting a full explanation of how the transactions had occurred, she didn't think TSB had made a mistake by not being able to provide one. The Investigator did recommend the complaint was upheld and TSB pay Mrs B a further £75 in recognition of the poor handling of the fraud claim and its impact on Mrs B.

TSB agreed but Mrs B did not. She said she was disappointed that neither the bank, nor our service could provide a precise explanation of what had happened to facilitate the transactions.

As Mrs B did not agree, the complaint'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.

Under the Payment Services Regulations 2017, generally, TSB can hold Mrs B liable for the disputed transactions if the evidence shows she made or authorised them.

In this case, all parties agree Mrs B did not make or authorise the transactions in dispute. So what I'd expect in those circumstances is that TSB refunds the disputed amounts, which I'm pleased to see it has done.

In relation to the first fraud claim, TSB has explained that these payments were made using telephone banking. And that in order to make them, the unauthorised party had appeared to be calling from Mrs B's registered phone number and knew enough of Mrs B's personal information to pass security, this included Mrs B's telephone banking security number. Mrs B said she was alerted to these transactions because she'd received a text message, purportedly from TSB, containing a One Time Passcode ("OTP"). TSB has told us this text message was not from the bank. I'm satisfied, considering everything I've seen, that this explanation is sufficient, though I know Mrs B doesn't agree.

I say this because TSB have explained how the transaction occurred. I'm not sure how Mrs B expects TSB to know precisely how her details were compromised, when this could have happened in a variety of ways that don't involve the bank. Mrs B was also keen to hear a copy of the call recording where the transaction was instructed, we've been told it's not available. But in any event, there's no dispute the call wasn't made by Mrs B so I don't think it would change things either way.

In relation to the £10 transaction, this appears to have been done online based on the information I've seen. So Mrs B's card details would have been required, not necessarily the physical card itself – which would make sense since Mrs B has said the card remained in her possession. Again, I'm satisfied there's nothing more I'd reasonably expect TSB to know about how the card details came to be in the possession of an unauthorised party.

Mrs B thinks TSB should have blocked the transactions, particularly the first two because of their size and because Mrs B hadn't used telephone banking for a long time. But looking at the account activity around the time of the disputed transactions, it's not unusual for large payments to be made in and out of Mrs B's account so I don't think these payments were sufficiently unusual that they should have triggered TSB to intervene. Nor do I think use of telephone banking should have alerted the bank to it not being Mrs B. And the transactions have already been refunded. So even if I thought TSB ought to have intervened, there isn't anything else I'd require it to do to put things right.

Mrs B remains very concerned that the transactions occurred because of a problem within the bank, perhaps a security leak or a member of staff acting fraudulently. But beyond Mrs B's assertion, I haven't seen anything else that would substantiate this. So I don't think it's more likely than not that this is how the transactions occurred.

By its very nature, being the victim of fraud causes distress and inconvenience. But I haven't seen anything to suggest the unauthorised transactions taking place were because of something TSB did wrong. So I can't fairly hold it responsible for Mrs B's distress and inconvenience caused by the fraudulent transactions themselves. However, TSB has admitted there was a delay in dealing with Mrs B's second claim and some of the customer service she received during both claims was below the usual standard, and TSB are responsible for the impact these issues had on Mrs B.

I agree with Mrs B that being told by TSB it couldn't tell her precisely how her details had been compromised at the same time as being warned she might not receive a refund of future fraud claims, would've been worrying. But I don't think it was wrong for TSB to have tried to manage Mrs B's expectations about future fraud claims or offer possible explanations for the compromise of Mrs B's details, rather than definitive ones. I do agree it seems TSB gave Mrs B the wrong telephone number, kept her waiting on the phone for a long time and took too long to refund the £10 transaction.

Having considered the poor service Mrs B received in respect of the fraud claim and the delay in refunding the third payment to her, I find £150 is fair and reasonable in resolution of this complaint.

My final decision

For the reasons I've explained, I uphold Mrs B's complaint.

To put things right, I require TSB Bank plc to pay Mrs B a total of £150. TSB may deduct any amounts already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 21 July 2025.

Eleanor Rippengale
Ombudsman