

The complaint

Mr B complains that TSB Bank plc won't refund a scam payment made from his account.

What happened

Mr B was the victim of a scam. Mr B was represented on bringing his complaint to our service – for ease I'll refer to all correspondence as coming from Mr B.

Mr B saw an advert on television for what he thought was an investment opportunity endorsed by a celebrity. Mr B contacted the scammers, and was persuaded to send a total of £11,000 – in the form of £1,000, £5,000 and £6,000 payments – from his TSB account to an account he held with an e-money provider, I'll call R.

After the funds were transferred to R from TSB, Mr B sent the funds to the scammers. After making the £6,000 payment the scammers asked for further payments to release the funds, and at this point Mr B realised he'd been scammed.

Mr B complained to TSB – but TSB felt they intervened proportionality to the risk the payments presented. They highlighted that the payments weren't out of character according to his previous activity, they were to an existing payee and when they did intervene – for the £6,000 payment – Mr B didn't openly share why he was making the payment. Instead, he advised TSB it was for funds to use abroad.

One of our Investigators looked into Mr B's complaint, but after reviewing everything they thought the intervention TSB carried out was proportionate to the risk the payments presented. So, they concluded that TSB didn't need to do anything further.

Mr B didn't accept our Investigator's conclusion, 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.

The starting point under the relevant regulations – the Payment Services Regulations 2017 – is that Mr B is responsible for payments he's authorised himself. But, taking into account the relevant rules and guidance and what I consider to have been good industry practice at the time, I think TSB ought, fairly and reasonably, to have been on the lookout for unusual and out of character transactions that might indicate Mr B was at risk of financial harm from fraud.

Where a firm like TSB does have grounds to be concerned about a payment, I think it should reasonably take steps to warn its customer about the risk of continuing with the transaction. Whether a warning should be provided, and if so the nature and extent of that warning, should be proportionate to the risk the payment presents and strike a balance between trying to protect customers and not unduly inconveniencing them. I must also consider that

applying significant friction to all payments would be very onerous and would likely be impractical for TSB.

I've considered TSB's interventions and whether this was proportionate to the risk the payments presented.

TSB intervened on the third payment – for £6,000 – but didn't carry out any additional checks for either payments one or two for £1,000 and £5,000 respectively. I've considered whether this seems fair, and I think it was. I say this because all three payments were made to an existing payee, Mr B's account with R. And none of the payments in isolation were of a concerning size considering Mr B's previous account activity. But, by the time the third payment was made – in quick succession – there were indications Mr B might be at risk of financial harm.

The next question for me to consider is whether the level of intervention TSB carried out was sufficient. Unfortunately in Mr B's case it didn't lead to him realising he was the victim of a scam. I've listened to the phone call TSB had with Mr B regarding the £6,000 payment. During that phone call TSB asked Mr B several times what the payment was for, to which Mr B responded that the money was being transferred for spending abroad. Considering the destination of the funds – an existing payee in Mr B's name and a e-money provider which provides currency conversion services – this explanation seems plausible, and I can't conclude TSB acted unreasonably in accepting this.

I've also considered TSB's attempts to recover Mr B's funds. However, this wasn't possible as the funds were moved by Mr B himself to the scammers from R prior to him reporting the scam. It follows I'm satisfied they did what I'd expect here.

Overall, while I understand this will be very disappointing for Mr B, I'm afraid I won't be asking TSB to do anything further here. I acknowledge that Mr B has been the victim of a cruel scam, and is an innocent party, but being the victim of a scam doesn't automatically mean that TSB are obligated to refund him. My role is to make an impartial judgement on a fair and reasonable basis about whether TSB have done what they are expected to do. And if they haven't, would TSB taking the correct action have prevented the scam or successfully recovered Mr B's funds. There is a third party involved – the scammers – who tricked Mr B and caused the loss he suffered. As I've determined in this case TSB isn't at fault and couldn't reasonably have prevented Mr B's loss it wouldn't be fair or reasonable for me to ask TSB to provide a refund for actions carried out by the scammers.

For the reasons I've explained above I can't say TSB are responsible for Mr B's loss. It follows I won't be asking them to refund the disputed transactions or pay Mr B any compensation.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 October 2025.

Jeff Burch
Ombudsman