

The complaint

Ms Y complains that TSB Bank plc hasn't treated her fairly after she was incorrectly charged by an online merchant.

What happened

Ms Y used her card to buy a low value item online in September 2024. She then saw the merchant had charged her card additional times and for amounts far greater than the item she intended to pay for. Ms Y also says the original item was never received.

She reported these payments to TSB and it started a chargeback claim for Ms Y for all three payments, which included temporarily refunding the payments and all fees. The merchant defended the claim and said the items had been ordered and sent to Ms Y. So TSB re-debited her account the payments and one set of the fees. Ms Y complained about this and said she hadn't agreed to the payments, but TSB didn't agree to reimburse her.

Ms Y came to our Service and our Investigator said TSB should refund the second and third payments along with fees charged, as she didn't agree Ms Y had authorised these. TSB agreed to the outcome, but Ms Y didn't agree. She then evidenced TSB had re-debited her account for more than the value of the chargeback claim she made.

Our Investigator issued a second assessment upholding the complaint and awarding the second and third payments back (with fees) plus the incorrectly debited amounts and £250 compensation. TSB accepted this. Ms Y asked for an Ombudsman to review her complaint as she wanted additional compensation.

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.

There are two individual, but linked, issues in this case. The original charges to Ms Y's account and then the subsequent charges.

The three original payments were for £4.56, £38.80 and £38.80, and the total charges from these was £87.61 including foreign transaction fees. TSB has agreed to refund the second and third payments (plus fees) that make up this figure, plus 8% simple interest per annum. I'm in agreement this is fair, as I don't agree Ms Y authorised these payments. It seems the seller went on to use her card details to make these payments without her consent. However, from her own testimony, she did authorise the first payment, so I wouldn't expect this to be refunded as unauthorised.

TSB did try and recover all the payments for Ms Y via chargeback, but the merchant defended this claim. At the current point in time, TSB has offered to refund Ms Y in full. So I don't think I need to consider the chargeback claim further, as Ms Y is now receiving all these funds back.

Moving onto the subsequent charges, I can see that in November 2024, TSB mistakenly charged Ms Y's account for three more payments of £38.80 than it should have. It temporarily refunded the original payments (including all fees) when it first investigated the chargeback claim. In relation to the chargeback claim it was technically entitled to re-debit her account these when the claim was unsuccessful. But it shouldn't have done this if it had correctly considered Ms Y's unauthorised claim and regardless, it went on to re-debit £38.80 five times.

TSB accepts it made an error here and as a result of this it has agreed to refund Ms Y everything it re-debited her in November 2024, a total of £201.01. This includes the payment of £4.56 and the non-sterling transaction fees associated with this. It has also agreed to pay Ms Y £250 in compensation for the distress this error and the handling of her claim caused.

Ms Y has explained that due to the £201.01 charged, she had to borrow money from her brother and went through a difficult time. I accept that this would've been stressful and that compensation is due to her for the error. She says TSB should pay £200 for her to repay her brother; £250 compensation to her; and also refund the £201.01 charged.

I've considered what happened here and the impact it had, but I'm satisfied the offer TSB is making is fair. I accept this error only came to light because Ms Y raised it and that she had to ask family for help due to the mistake made. But the refund Ms Y is now receiving enables her to repay her brother the full amount borrowed and leaves her with £250 compensation of her own. I don't agree it would be fair for TSB to also repay Ms Y's brother as well as refunding Ms Y the same money. And I don't agree what happened warrants £450 compensation, which is effectively what's being requested here.

Ms Y should have been credited the second and third payments made, plus fees, back in September 2024, which is what happened. The error comes when these credits were re-debited to her account and then duplicate charges were also made. But Ms Y is receiving enough back now to cover the amount she should never had been charged. And she will receive 8% simple interest per annum on the £201.01, which compensates her for the time she (and her brother by the nature of the borrowing) were out of pocket.

Ms Y hasn't suggested she's suffered any other financial loss due to the error made, so I can't see a reason to increase this figure. And I accept she had to borrow funds from her brother and that the situation caused her avoidable distress, but I'm satisfied £250 compensates her for this. So, I'm not awarding anything more than the offer made.

Putting things right

TSB Bank plc needs to:

- Refund Ms Y the £201.01 charged to her account in November 2024
- Pay 8% simple interest per annum on this amount from when it was wrongly charged until it is refunded
- Pay her £250.00 for the distress and inconvenience the error caused

My final decision

For the reasons set out above, I uphold Ms Y's complaint against TSB Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Y to accept or reject my decision before 17 July 2025.

Amy Osborne
Ombudsman