

## **The complaint**

Mrs F complains that TSB Bank plc (“TSB”) declined to refund transactions she didn’t recognise and was treated unfairly.

## **What happened**

Mrs F is represented in this complaint by Miss F who also operates the TSB account to assist Mrs F.

Miss F noticed a number of payments to an online food shop that she didn’t recognise. I’ll refer to that merchant as A. Mrs F had a genuine relationship with A and regularly used them for shopping orders.

Numerous calls were held with TSB and Miss F (on behalf of Mrs F) explained that she could never get a response from TSBs freephone number and had to use another number which cost a significant amount of money.

Miss F contacted TSB about the transactions where it was noted that a large number of payments (over 100) going back a number of years weren’t recognised. Miss F spoke to different teams and later said that she was given poor advice about the situation and was told differing timescales for responses.

About ten days after reporting the issue, an email was received explaining the matter couldn’t be dealt with as a dispute. Miss F said she wasn’t provided any further explanation or given advice about what steps to take.

Miss F contacted TSB and explained that she was unclear on how to proceed based on TSB’s update about the transactions. Miss F was upset at how TSB had failed to grasp the issue and they’d failed to provide assistance in dealing with the transactions she’d disputed. Miss F was concerned for the safety of Mrs F’s account.

TSB advised Miss F that the disputed transactions needed to be dealt with as a fraud and referred them to another team. Miss F was told she would receive a call within two days. Miss F raised a complaint about the treatment received and how difficult TSB had made it to try and recover the lost funds. TSB then attempted to call Miss F about the fraudulent payments the following day but were unable to reach her.

TSB contacted Miss F several days after the fraud was logged and explained that they weren’t going to make a refund as they didn’t believe the disputed payments were fraudulent. This was due to the way they’d been made (the IP addresses were consistent) and how A had billed Mrs F’s card.

Miss F made a complaint on Mrs F’s behalf, this was about TSB’s handling of the situation, including the confusion over dealing with the matter as dispute rather than as a fraud. Miss F believed that TSB had sent the complaint to the wrong department and then failed to provide guidance concerning her fraud concerns.

TSB issued a final response letter to Mrs F (covering the disputed transaction element of the complaint only) although she said later that she never received it. Mrs F then brought her complaint to the Financial Ombudsman Service for an independent review.

Both parties provided evidence about the disputed transactions. After reviewing the evidence, the investigator didn't think that TSB had acted unfairly. It was explained that the payments were likely authorised by the account holder and the unusual billing related to how A processed payments. It appeared that A made a number of smaller payments, rather than as one larger payment.

Mrs F accepted that the transactions she'd disputed were authorised but remained unhappy with TSBs handling of the issue.

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 reconsider their situation concerning the handling of the issues raised by Mrs F and Miss F. TSB responded and didn't believe they'd acted incorrectly.

I issued my provisional findings on the merits of Mrs F's complaint on 5 Mar 2025. In my provisional findings, I explained why I intended to partly uphold the complaint and offered both sides the opportunity to submit further evidence or arguments in response. An extract of that decision is set out below and forms part of this final decision:

"What I've provisionally 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.

Given that the issue of authorisation is no longer disputed, and Mrs F hasn't lost out financially, I haven't considered the question of whether the payments were authorised or not any further.

I've examined all the evidence provided to me, including relevant calls to understand how TSB treated the account holder. It's clear in the calls that both Miss F and Mrs F were very worried about the safety of the account. In particular, Miss F was operating the account on behalf of Mrs F and it's understandable that she was concerned about its safety.

Having listened to the available calls, I thought that the call operators were polite and professional throughout. But, I would say that on a few occasions, the explanations given were less than clear and certain information repeated a number of times when it was apparent that neither Mrs F nor Miss F could appreciate why they were being told this information.

It was evident that Miss F was highly emotive and by continually repeating the same information (which happened on at least one occasion during a call on 25 September) Miss F was growing increasingly upset, which Mrs F also experienced as she was listening to the calls. Mrs F and Miss F were, at one point, told the account had a nil balance when they believed it held a considerable sum. This caused considerable distress to both Mrs F and Miss F, particularly as they believed at the time the account had been compromised. The call operator was able to update the system a short while later and confirmed the account held the funds that Mrs F and Miss F believed it held. I recognise this was a genuine error on the part of the call operator and was quickly addressed, but even during this short period of time, it was clear this caused distress to the account holder. It was mentioned by Miss F that

they'd both nearly broken-down and Mrs F was in tears. Given the heightened state of concern exhibited by the account holder, this caused a disproportionate level of distress which TSB should recognise.

Miss F has explained that she later received an email from TSB referring to the dispute and based on what she's said about the information in the email, she was at a loss about how to deal with the matter because it didn't contain any useful guidance on next steps. I haven't seen this email, so I can't comment on what it did or did not contain beyond accepting what Miss F has said. The reason I've commented about this is that TSB's internal records indicate Miss F was directed to their fraud team after the dispute was turned down.

There was clearly some confusion about how TSB were approaching the issue. Miss F believed she was reporting fraudulent transactions and TSB initially looked at it as a dispute (due to the legitimate relationship with A). It's for TSB to arrange the way they work and I make no comment about this arrangement. But, I would say that the impression given is one of confusion, as listening to the calls, it's apparent to me that she didn't understand why TSB took the approach they did. I think TSB missed an opportunity to clearly explain how they approached these matters and the options available to their account holder.

Miss F was particularly critical of a call with a fraud team member held on 13 September – I haven't been provided a copy of this call, so unfortunately can't comment in detail apart from how Miss F herself explained what she was told. Miss F believes that she was sent to the wrong department and valuable time lost as a result.

Here, because Mrs F had a legitimate relationship with A, it wasn't treated initially as fraud. I thought TSB could have explained this in a bit more context to enable Miss F's concerns to be allayed.

The account holder followed this up themselves and it was then referred to the fraud team who reviewed the situation. They came to a conclusion about the payments based on a review of the billing information and the use of the device used to make the payments. The IP address information indicated the payments were made from regular addresses (IP addresses can identify locations within the electronic chain of use). It was thought likely that the IP data was consistent with other transactions that hadn't been disputed.

This explanation was given to Miss F about five days after it was reported as fraud. Overall, the matter was dealt with in about three weeks. Whilst I understand the frustration felt by Mrs F and Miss F, I don't think that the eventual timescale was unreasonable. But, I do think that TSB could have been clearer in the early stages of the enquiry, particularly given the emotional impact this was continuing to have on both Mrs F and Miss F.

I acknowledge that Mrs F and Miss F were concerned about the account security, and I can appreciate the stress this would have caused. I don't think TSB can be held responsible for that and it's accepted that there will be some inconvenience whilst TSB looked into what happened. As I've already mentioned, TSB could probably have been clearer in their dealings, and some of their handling caused additional distress to Mrs F and Miss F. I intend to require TSB to make a small payment for the impact their handling had on Mrs F.

Miss F has also said she didn't receive the final response letter. TSB's records do show it was prepared and it's not possible to say what happened to it on its journey to Mrs F's address. I don't think it's particularly relevant here as TSB had already explained their conclusions and the lack of the final response letter didn't impede Mrs F from bringing the complaint to our service.

Mrs F also raised an issue about the cost of the calls and wanted TSB to refund them. This

matter, along with the general complaint about how Mrs F and Miss F were treated wasn't specifically covered in TSB's FRL. I think that TSB had opportunity to assess those matters and as this is a provisional decision, they now have opportunity to respond if needed.

### *Calls cost*

Miss F believes that TSB should refund the cost of calls to Mrs F because she was unable to use the freephone number. Ordinarily I wouldn't recommend these be refunded because TSB had a free system to contact them, but here, Miss F said those lines were never answered. So, I'd ask TSB to provide performance details about those lines on 13/24 and 25 September 2024 to assess Miss F's claim for a refund. I'd also ask Mrs F to provide the costs she's claiming for the calls and evidence that the freephone calls were unsuccessful.

### *Summary*

I don't think it's unreasonable to conclude here that much of the concern was generated by Miss F herself and it's apparent that both she and Mrs F were having difficulty understanding what they were being told. TSB attempted to explain what had happened and the situation became more confused for the account holder. I acknowledge that TSB weren't solely to blame for the stress caused to Mrs F, but I do think that they could have handled the situation clearer.

I don't think any bank would accept that they'd done a good job when one of their customers was brought to tears and referred to having a breakdown. So, I'm currently minded to recommend that TSB make a small payment of £100 to Mrs F for their handling of the complaint and the unnecessary stress experienced by her.

I'll consider the claim for a refund of the calls once I receive further evidence.

### *My provisional decision*

I'm intending to partially uphold this complaint in respect of the handling of the fraud investigation and require TSB to pay £100 to Mrs F for the unnecessary stress caused to her."

I invited Mrs F and TSB to give me any more evidence and information they wanted me to consider before issuing my final decision. TSB responded and continued to argue they'd done nothing to warrant a payment to Mrs F. TSB argued that as Mrs F had shopped repeatedly with A over the years, she should've realised what the payments were for.

Additionally TSB argued that they'd dealt with the dispute/fraud appropriately and that the emotional state of the parties wasn't the result of TSB's handling of the situation.

TSB went on to say that a simple error by their staff member shouldn't be regarded as causing any level of distress or upset. TSB finally raised the matter of what could they have said at the time to change Mrs F view on the situation.

Mrs F, via her representative commented that some of the timings were different to the provisional decision and it was Miss F who initiated the contact – not TSB. Mrs F wanted to add that the situation was causing so much distress that the police sent someone out straight away to discuss the ongoing situation. Overall Mrs F accepted the outcome of the provisional decision.

TSB later provided details of the call waiting times relevant to dates when Mrs F's rep called them.

## **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, and as neither party had anything further to add that would change my provisional decision, I see no reason to reach a different conclusion. So, this final decision confirms the findings set out in my provisional decision.

I would like to thank both parties for their continued patience and assistance whilst I've considered this complaint. It's clear that there's still quite some gap between the respective positions taken by both parties.

I acknowledge TSB's belief that they did nothing to warrant the payment I'm recommending here, but my objective assessment is that they did cause Mrs F additional worry and stress by the way they handled the matter. The level of that additional distress is reflected in the amount of redress I've recommended.

I've set out my thoughts in my provisional decision, but would add:

- TSB argue that Mrs F (and Miss F) should've realised the matter wasn't fraud themselves. Whilst I accept that Mrs F, through Miss F were partly responsible for believing they'd been a victim of fraud, as their bank, TSB were in a better position to help them understand what had gone on with their account. They are, after all, the experts here that Mrs F was relying on to assist them. If the matter was so straight forward, I'd ask why it took so long to work out what was happening and advise Mrs F about the matter?
- I do accept that TSB aren't directly responsible for a substantial amount of the distress experienced by the complainant here. But, I don't accept that they were entirely without fault, including telling Mrs F she had no money in the account, even if this was for a very short period of time. I'm not basing the outcome on this individual error, but it does form part of the overall impact experienced by Mrs F.
- In response to TSB's final point – it's not my role to advise them specifically how they should handle their customer's issues, but they may wish to review their handling of the complaint in order to understand any lessons for future matters similar to this one.

I acknowledge Miss F's comments about certain timings and communications, but they don't affect my thoughts on the outcome of this complaint. I also acknowledge the state of worry caused by the matter which warranted a check by the police to make sure Mrs F and Miss F were ok. This itself is evidence of the heightened state of worry and stress Mrs F in particular was experiencing at the time.

In respect of the call charges, the (0345) number they provide for reporting matters had short wait times when Mrs F (Miss F) was trying to call them. I haven't seen enough evidence to persuade me that the additional call costs should be applied here. So, I don't think it would be fair to ask TSB to make any further payments.

## **My final decision**

My final decision is to partially uphold this complaint and TSB Bank plc are now required to settle it by paying Mrs F £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or

reject my decision before 29 July 2025.

David Perry  
**Ombudsman**