

Complaint

Miss G is unhappy that TSB Bank plc didn't refund her after she reported falling victim to a scam.

Background

In late 2024, Miss G was the victim of an employment scam. She'd recently lost her job and became aware of an opportunity to earn some money. The role required her to complete tasks to earn commission. However, she was later told that she needed to fund her account to access the money she believed she'd earned.

She used her TSB account to make a payment of £320 to a third-party money remittance service. She also made payments to an account in her name with a different provider. Those funds were subsequently transferred to the fraudsters, but the other business has refunded those payments. She made these payments in the belief that it was a necessary step for her to get access to the money she believed she'd earned.

However, she was asked to make further payments and eventually realised that she must have fallen victim to a scam. She notified TSB but it didn't agree to pay a refund. She wasn't happy with that and so she referred her complaint to this service. It was looked at by an Investigator who didn't uphold it. Miss G didn't accept the Investigator's view and so the complaint has been passed to me to consider and come to a final decision.

Findings

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, I've come to the same overall outcome as the Investigator and for broadly the same reasons.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account.

However, that isn't the end of the story. Good industry practice required that TSB be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to protect their customer. That might be as simple as providing a written warning as part of the payment process or it might extend to making contact with the customer to establish the circumstances surrounding the payment.

We now know with the benefit of hindsight that Miss G had been targeted by a fraudster. The question I have to consider is whether that risk ought to have been apparent to TSB at the time, given the information it had available to it. Unfortunately, I don't think it would've had any reasonable basis for intervening in connection with that payment. I've looked at Miss G's account statements, and I can see that it wasn't out of keeping with the way her account had been managed in the months before the scam.

I realise that will be a frustrating finding for Miss G. If TSB *had* intervened, there was a good chance that it might have uncovered the scam. But I don't think it's realistic to expect it to intervene in connection with payments of that value, particularly when they're consistent with the way the account has been used in the past. I understand that she made further payments, albeit ones that have already been reimbursed by another business. However, I'm not convinced it would've had any grounds for treating those as suspicious either, particularly since they were being made to an account in her own name which she had paid in the past. From TSB's perspective, there didn't appear to be any significant risk at the time of the first payment, so I don't believe it was unreasonable for it to allow the payment to go through without contacting her.

I've also considered whether TSB took all the steps I would have expected to try to recover Miss G's funds. It might have considered a chargeback – in other words, it could've disputed the card transaction on her behalf and sought to have the payment reversed. However, the chargeback scheme is subject to specific rules. In this case, Miss G paid a money remittance service to transfer her funds, and that service was carried out as agreed. Since the transaction was valid and the service was performed, I don't believe a chargeback would have had any realistic chance of success.

I don't say any of this to downplay the fact that Miss G was the victim of a cruel and cynical scam. I have a great deal of sympathy for her and the position she's found herself in. However, my role is to look at the actions and inactions of the bank, and I'm satisfied it didn't do anything wrong in processing this payment without questioning it further.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 8 January 2026.

James Kimmitt
Ombudsman