DRN-5699389

The complaint

Miss N is unhappy TSB Bank plc won't refund payments she says she sent between 2017 and 2020 as part of a property investment scam. Miss N has raised complaints about four scams, and this is the first one (chronologically) of those alleged scams.

What happened

In 2016 Miss N says she met a couple through a friend at a time when she was vulnerable, following the end of an abusive relationship – I'll call them "H" and "K". Initially H sent Miss N money, which we're told was to help with purchases following the break-up, and payments can be seen into the TSB account totalling thousands of pounds during 2017 and 2018. Miss N says H then introduced her to a property investment opportunity, as a way of getting back her financial independence, which the friend who they met through was also involved with. She speculates that money was sent to the investment in 2017, but neither her nor the bank has been able to evidence those transactions.

At the end of June 2018 Miss N sent £50,000 to K (who was allegedly H's partner), in two payments a day apart. Miss N says she couldn't pay H directly as her account had been frozen following problems with an ex-partner she was divorcing. The day after the second £25,000 payment had been sent, Miss N attempted to transfer £9,000 to K – but TSB stopped it, added a security block, and asked her to attend a branch. The following day £15,000 was paid into the account by an individual, which Miss N says was a 'loan shark'.

TSB's system notes from the subsequent branch visit say that Miss N confirmed the payment was genuine, and said she was lending money to a friend for a solicitor's bill, and a few other friends had contributed too. TSB also recorded that Miss N said this was the third instalment for the solicitor's bill, having sent two £25,000 payments for it previously, and the large payment into the account the day before was used to verify the contribution from other friends. TSB then released the transfer to K.

A month later, In August 2018, Miss N sent £7,500 to K, and then another for £9,700 a week after that. Then the final payment to K was for £6,000 in October 2018. TSB didn't intervene on any of those further payments to K, as following the branch visit it was a trusted beneficiary on the account. Meaning a total of over £82,000 was sent as part of the alleged property investment scam. Miss N also involved her brother in the investment, but in November 2018 he told her that it was a scam – and began conducting his own investigations to confirm the fraud, encouraging her to do the same.

In March 2019 Miss N made two smaller card payments (£997 and £497), which she says were to pay for property investment courses. Then in February 2020 three further debit card payments were made to different property courses, totalling over £15,000. Miss N says she convinced to by H to attend these courses. Monthly payments into the TSB account from H continued through 2021, stopping in early 2022. After the loss of this money Miss N says she went on to be scammed three more times – but those scams involved cryptocurrency, and the complaints arising from them are dealt with under separate case references (this decision only covers 'scam 1'). She reported the incidents to Action Fraud, who said it had no lines of enquiry it could pursue.

In 2023 Miss N learned that H had been convicted for scamming another couple, and says the circumstances she read about in the press were similar to what she experienced. She seemingly spoke to a Complaints Management Company, who (according to TSB) didn't take on her case as it thought it was likely a civil dispute due to the payments into the account. So Miss N pursued a complaint against the bank herself in 2024. When she raised matters with TSB she detailed her vulnerabilities at the time of the alleged scams, and the serious ongoing effects the loss of the funds was having on her. It added a protective marker to her account to note the various health challenges and adjustments needed.

TSB's final response said the transfers to K were made before the introduction of its Fraud Refund Guarantee (FRG). The bank also said it wasn't signed up to the Contingent Reimbursement Model (CRM) code – which was a voluntary scheme, that provided refunds for fraud in certain scenarios. But TSB rejected the claim on the basis that there wasn't any evidence the money went to H (as the transfers were sent to K). It also raised that there wasn't any communication between her and H available to corroborate what the payments were for. TSB added that Miss N seemed to have received the services paid for with the later card payments, as she attended the property investment courses – so it didn't think a refund was due for those. So, overall, the bank didn't think there was enough evidence to show the funds were lost to a scam.

Miss N didn't accept TSB's outcome and referred her complaint to our service for review. One of investigators considered everything and didn't recommend the case should be upheld. In her view, while she accepted Miss N was vulnerable, there wasn't sufficient evidence to link the payments to a scam – so TSB couldn't fairly be held liable in the circumstances. Miss N disagreed with the investigator's opinion – and, in summary, said H's conviction for fraud should be proof enough that what she'd told us is true. She had tried to recover the messages between them, but had been unable to – and questioned the logic in essentially concluding she'd made up the scam. Miss N added that her vulnerabilities hadn't been properly taken into account.

As no agreement could be reached, Miss N requested that her complaint be escalated to an ombudsman to reconsider the matter. So the case was 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.

Having done so, I've decided not to uphold this complaint. I know this is not the answer Miss N was hoping for and so this will come as a great disappointment. I'm really sorry to hear about how the situation has affected Miss N, and the very serious health concerns she's faced since sending this money. I'm pleased she has some crisis support on hand to help with the more challenging times. I can also understand why Miss N would want to do all she can to recover the funds she says were lost. But I need to decide whether TSB can reasonably be held responsible for refunding these payments. Overall, I've decided that it can't be. I'll explain why.

Before I do, I first wanted to address Miss N's comments that she feels the investigator acted outside of her powers by reaching the conclusions she did – and that she believed the investigator's role was simply to review whether TSB conducted its investigation correctly. However our remit is to decide what's fair and reasonable in the circumstances of the complaint, and we have a wide inquisitorial prerogative to help us reach our conclusions on how a dispute should be resolved. That means we might issue an outcome that both parties aren't happy with – or decide a different solution to the one either side has argued for. That's the role of an independent arbitrator.

I want to assure Miss N that we have not intended to cause her further harm through our investigations. By referring the complaint to us, she has asked our service whether TSB can be held responsible for the loss – and this represents our decision on that. I appreciate the impact this answer could have though, as it means the money might not be recoverable from the bank. I also acknowledge that I've described the history of events in far less detail than has been provided to me. No discourtesy is meant by that either, I've just focused on what I consider to be the crux of the matter, in line with our service's informal nature. I've carefully reviewed everything that's been submitted though.

Miss N has mentioned the provisions of the CRM code, particularly those around handling claims from vulnerable customers. That scheme wasn't in force when the payments to K were made, and TSB didn't sign up to the code, so it's not something we've assessed any of her claims against. Instead TSB implemented its own Fraud Refund Guarantee (FRG) when CRM was brought in – and that is relevant to the later card payments she's disputed. Outside of the vulnerability provisions in the CRM code, there was lots of regulatory guidance on how vulnerable customers should be treated too, and I've considered TSB's responsibilities towards Miss N in light of that. But we've accepted Miss N was vulnerable during the period in question, and she's provided confirmation of her conditions from her doctor.

TSB had a responsibility to monitor for signs its customer might be at risk from financial harm from fraud – and to intervene proportionately if required. But before we can review whether TSB responded appropriately to any risks, we need to establish the disputed transactions were definitely lost to a scam (as the bank's detection and prevention responsibilities only arise in respect of fraud and other financial crime). Miss N has provided detailed testimony around what happened, which itself is evidence. But the amounts involved here require a higher burden of proof than only telling us she has been scammed, there needs to be supporting information to demonstrate what happened and how it occurred. Being vulnerable also doesn't negate the need for any required corroborating evidence – though reasonable adjustments may need to be made to support with gathering the information needed.

In this case, about scam 1, Miss N has alleged the disputed payments were made as part of a property investment scam, and has explained the grooming tactics employed by the scammer over several years. But we've not been provided with any evidence of contact between Miss N and the scammer, or any messages/paperwork detailing the supposed investment, or anything to indicate money was asked to be sent. H's conviction shows she scammed two other people, but doesn't prove she scammed Miss N (and no charges have been brought by Miss N). The transfers also went to someone else, who wasn't later convicted – and I can't find anything online to corroborate K knew H. We have a photograph that apparently shows the two together, but I can't confirm that is K – and even if it is her, that doesn't prove that K was complicit and passed the funds to H. The only tangible connection we have seen, between Miss N and someone who was later convicted for fraud, are the payments from H *into* the account. There is no further evidence the transactions she's complained about were subsequently lost to a scam perpetrated by H.

The same goes for the card payments to the companies offering property investment training courses. As far as I can tell, those companies appear to be legitimate – they were incorporated many years prior to the payments sent in 2019 and 2020, and are still trading. Miss N also seems to have attended the courses, so I'm not persuaded they were operating fraudulently. I appreciate Miss N might have been coerced into paying for courses she didn't want or need, but we've not been shown any supporting evidence of that coercion (other than Miss H alluding to it in her submissions). So I don't think TSB's FRG should cover a refund of those payments, as we haven't been shown they were made as part of a scam.

I want to reiterate that I understand it is hard for Miss N to relive what happened, and that her mental health has been severely compromised over the last few years. I also know it has been difficult for her to find time around her very busy work schedule to gather information to support her complaints. We have adjusted by allowing many weeks of extra time for her to do that, but it seems Miss N isn't able to access any more corroborating information. I say that because Miss N compiled very detailed submissions (over 40 pages, which must have taken a long time to put together) at the end of an extended deadline – but we weren't supplied with any more evidence of the scams themselves (which the investigator's view had outlined was needed). TSB also asked for similar information when it was looking into the claims.

So I'm confident Miss N has had sufficient time, allowing for her vulnerabilities, to gather that evidence, and hasn't been able to. I also believe she has done her very best in that regard, and I'm in no way blaming her that it is no longer available. Further effort in that direction would likely jeopardise her health anyway. But unfortunately it means her case that TSB should be liable for the transactions hasn't been proven.

My final decision

My final decision is I don't uphold Miss N's complaint about TSB Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 8 September 2025.

Ryan Miles
Ombudsman