

The complaint

Miss N is unhappy that TSB won't refund payments she says she sent as part of a cryptocurrency investment scam. Miss N has raised complaints about four scams, and this is the second one (chronologically) of those alleged scams.

What happened

In late 2020 Miss N says she came across a cryptocurrency investment opportunity online, offered by a company I'll call "C". She says she was looking to make passive income, to alleviate the financial strain caused by losses in a prior scam. Miss N was shown a professional looking platform and various videos explaining the opportunity. She says she also saw encouraging things on social media about their offices and lavish events put on for their members. As far as Miss N could tell there were lots of professionals involved, and she told us it looked to her like a legitimate investment.

Miss N says she told she needed to invest with cryptocurrency, so she set up wallets with various providers and started sending funds to be exchanged from her TSB account. Once exchanged, she then withdrew the cryptocurrency to the trading platform to be invested. So, from November 2020 until August 2021 Miss N sent 18 transactions totalling over £100,000 to four cryptocurrency exchanges.

In September 2021 TSB put in place a block on cryptocurrency payments, due to their high risk – so two attempts by Miss N to send £3,000 (in October and November 2021) were declined. She then raised a complaint that cryptocurrency payments were no longer allowed, which was rejected by TSB. Subsequently, Miss N started sending funds from TSB over to her account at another bank, I'll call "S", and onto the cryptocurrency exchanges from there. From November 2021 to July 2022 a further 22 transactions totalling more than £50,000 were sent to S.

Miss N says she saw her profits increase on the platform significantly, but whenever she tried to withdraw any she was given various excuses – including the platform being under attack from hackers and problems with payment processors. Investors were apparently told to be patient as a C branded debit card was coming that would allow them access to their funds, but that never came. Eventually Miss N realised she wasn't going to get her money back when she was told C was a scam, by a scammer who was enticing her into a different fake cryptocurrency investment later in 2022.

After the loss of this money Miss N says she went on to be scammed twice more. Following that she reported the incidents to Action Fraud, who said it had no lines of enquiry it could pursue. So in 2024 Miss N raised a complaint about TSB's role in what happened. 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. TSB added a protective marker to her account to note the various health challenges described and adjustments needed. TSB also rejected the fraud claims, citing different reasons - but essentially it believed there wasn't enough corroborating information to show that the disputed transactions were lost to scammers. 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 she had provided everything she could regarding the scam, but as most of the contact was done over via video calls she couldn't evidence the discussions she had with C. Miss N added that her vulnerabilities hadn't been properly taken into account, and the payments should be refunded under TSB's Fraud Refund Guarantee.

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.

Miss N has mentioned the provisions of the Contingent Reimbursement Model (CRM) code, particularly those around handling claims from vulnerable customers. 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 disputed transactions in this case. Outside of the vulnerability provisions in the CRM code, there is 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. We've also accepted that Miss N was vulnerable during the period in question, and she's provided confirmation of her ongoing 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, or decide if the FRG covers a refund, we need to establish the disputed transactions were definitely lost to a scam. That's because the bank's responsibilities, including those under its FRG, only arise in respect of fraud (or other financial crime). Miss N has provided consistent testimony around what happened, which itself is evidence, and she mentioned losing money to C when speaking with the next scammer. I can also see lots of payments being made to cryptocurrency providers from her account. But the significant 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 corroborating evidence – though reasonable adjustments may need to be made to support with gathering the information needed.

In this case, about scam 2, Miss N has alleged the disputed payments were made as part of a cryptocurrency investment scam – and it isn't disputed that C transpired to be fraudulent. But we haven't been provided with any evidence of communication between Miss N and the scammers, or invitations to video calls to substantiate those conversations. The YouTube links she has sent us aren't related to her particular investment – the videos are either

marketing material for C, that was shared widely, or content from other people who were scammed. We also haven't been shown that C sent any of those marketing links to her. That means we don't have anything to support that Miss N was asked by C to send the payments to the cryptocurrency exchanges, and we don't have any of the wallet statements to show she sent the cryptocurrency on to the platform after exchanging her funds. There is no intrinsic connection between any of the payees and C either. So, apart from Miss N's testimony, which I do appreciate has been consistent, there is no further evidence the transactions she's complained about were subsequently lost to a scam perpetrated by C. That means I don't think TSB's FRG should fairly cover a refund of these payments, as it hasn't been shown sufficiently they resulted from fraud.

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 disputed 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