DRN-5699566

The complaint

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

What happened

In early 2023 Miss N says she was introduced by a trusted friend to an opportunity to earn money online, from a company I'll call "V", where you 'bought time' to watch adverts and were paid in cryptocurrency. She says she was looking for a way to recoup her losses from earlier scams. Miss N told us she was shown a professional looking platform and website, along with some positive reviews. Her friend had apparently recovered her seed money, so she was convinced it was legitimate.

Miss N says she wanted to benefit from the maximum returns the company promoted within the maximum time period they allowed. She's identified eight payments sent to her account at an Electronic Money Institution (EMI), I'll call "R", from her TSB account, as the ones related to this scam. Those were made between February and May 2023, and totalled £5,120. Unfortunately, Miss N says the scam platform soon fell apart before the time limit for the job had elapsed and so the money was lost.

After the loss of this money Miss N says 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.

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, and no longer had access to any of the cryptocurrency wallets. 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, which was a voluntary scheme providing refunds for fraud in some scenarios, 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 limited testimony around what happened, which itself is evidence, and I can also see payments being made to R from her account. 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 corroborating evidence – though reasonable adjustments may need to be made to support with gathering the information needed.

In this case, about scam 4, Miss N has alleged the disputed payments were made as part of a job scam – and there is information online to support that V was operating fraudulently. But we haven't been provided with any evidence of contact between Miss N and V, or messages about it with the 'friend' that recommended the opportunity. So we don't have anything to support Miss N was in touch with scammers. We also don't have anything to corroborate that Miss N was asked by V's agents to send these payments to a cryptocurrency exchange, and we don't have any of the wallet statements to show she sent the cryptocurrency on to the job platform after exchanging her funds. There is no intrinsic connection between any of the payees and V either – and to TSB it just looked like payments to her own account elsewhere (at R). So, apart from Miss N's testimony, there is no further evidence the transactions she's complained about were subsequently lost to a scam perpetrated by V. 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 also don't think any of the transactions were suspicious enough (in either size, pattern or destination) to trigger a fraud response from TSB, even if there was sufficient evidence they were lost to 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 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