

The complaint

Mr and Mrs C complain TSB Bank plc won't refund transactions made on their current account which they say were unauthorised.

What happened

On 12 May 2024, Mr and Mrs C noticed 26 transactions totalling £501 had been made from their account to a gambling website, I'll call S. The transactions had been made using Mr C's card details, so I'll refer mostly to him.

Mr C reported the transactions to TSB as fraudulent. It looked into them but decided to hold Mr C liable for them because they'd received evidence from the gambling website which showed Mr C had a genuine account with S and had used his card with them previously. Following a complaint, TSB still refused to refund the transactions.

Mr and Mrs C referred the complaint to our service. An Investigator considered the circumstances. She said, in summary, the evidence provided showed Mr C's card had been added to his genuine account at the gambling website. So based on what she'd seen, she didn't think the transactions could have been made without Mr C's involvement, so she didn't consider they were unauthorised.

Mr and Mrs C didn't agree. They reiterated Mr C had not made the transactions and asked to see the evidence that had been provided – which our Investigator provided. Mr C pointed out at this point that the values of the transactions on this evidence did not match the values of the transactions he was disputing.

As Mr and Mrs C did not accept the Investigator's findings, the complaint was passed to me to decide.

I issued a provisional decision. I've set out my findings again below and they form part of this decision.

Provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Under the Payment Services Regulations 2017 ("PSRs"), generally, TSB can hold Mr C liable for transactions which the evidence suggests he made or authorised.

TSB's initial submissions to our service included evidence which it said showed the disputed transactions were made using Mr C's card details which had been added to his genuine S account in November 2023, so several months prior to the disputed transactions taking place in May 2024. And that all the personal and contact details for Mr C matched the ones TSB held for him. TSB had obtained this evidence directly from S.

Mr C accepts he had a genuine account with S and that he'd used his TSB debit card on that account before. But, as Mr C pointed out when we shared it with him, the specific

transactions he was disputing aren't shown in the evidence TSB received from S. Having initially reviewed the file, I arranged for us to contact S directly for information about the disputed transactions.

S responded to that request. It provided information to show that Mr C's card details had been used to make transactions to two different accounts with S – not in Mr C's name - which S had closed as confirmed fraud. S told us TSB had not provided a specific list of the disputed transactions in their original request, which is why the response from S didn't contain the actual transaction data.

We shared this response with TSB. It responded to say it had now refunded the full disputed amount of £501, but it didn't think it needed to do anything else because, based on the information provided by S initially, it had reached the correct conclusion.

We asked TSB for a copy of the initial request it made to S to see whether what S had said was correct. TSB provided a copy which said:

Nature of enquiry:

I require confirmation of the transaction details debiting this customer's account in relation to S which have been reported as fraudulent on their account.

Customer's PAN: REDACTED

Customer's name: REDACTED

Given that this request did not specify the transactions in question, I don't find it surprising S responded with only information about Mr C's genuine account, rather than the accounts that received the disputed payments – which we now know weren't Mr C's. In any event, the information S did provide TSB did not show the transactions he was disputing, so it's unclear to me why TSB felt that was sufficient to hold him liable for the transactions.

So I find TSB didn't make an effective request to S for information and then relied on insufficient information to hold Mr C liable for the transactions.

Based on the information we now have, I don't think the disputed transactions were authorised by Mr C. So I've considered whether TSB can hold Mr C liable for them on any other basis.

The PSRs allow for customers to be held liable for transactions they didn't authorise if they failed to comply with their obligations to protect their account, under the terms and conditions of the account and/or the PSRs. This includes keeping things like card details, PINs and passwords, safe.

Mr C denies providing his card details to anyone, so it remains unclear how they came to be used by an unauthorised party. Based on what S has told us; Mr C's card details were used on accounts where multiple bank accounts appear to have been compromised. So I think it's likely Mr C's card details were obtained by the unauthorised party along with the others in bulk. The nature of online fraud is such that we may never know for sure how the account details were compromised. And in any event, TSB has not provided anything to show Mr C failed with intent or gross negligence to keep his card details safe.

Overall, I'm satisfied TSB hasn't demonstrated any basis on which it can hold Mr C liable for the transactions.

TSB has already refunded the full disputed amount of £501. For the reasons I've set out, I don't think TSB investigated Mr C's fraud claim properly at the outset and relied on incorrect information to say he was liable for the transactions. Had it investigated fully, it would have uncovered the information we now have, which indicates the transactions were not authorised. In view of that, I intend to require TSB to pay 8% interest on the refund to reflect the time Mr and Mrs C have been without their funds and pay them £100 in recognition of the impact of the poor handling of the original fraud claim.

Responses to my provisional findings

Mr and Mrs C said though they were happy to have received a refund of the fraudulent transactions, they felt £100 in compensation wasn't enough because they'd received this amount for another, less serious, issue in the past.

TSB said it accepted my provisional decision.

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.

I've noted Mr and Mrs C's comments about the level of compensation. By its very nature, being the victim of fraud is distressing and inconvenient. But I haven't seen anything to suggest that the transactions occurring in the first place were because of something TSB did wrong. So I consider most of the impact on Mr and Mrs C was caused by someone using Mr C's card to make transactions without permission. Nevertheless, as I set out in my provisional decision, I still find it fair for TSB to pay 8% interest on the refund amount – which will cover the period Mr and Mrs C were without the funds. And, taking into account the interest that will be paid and the overall amount of the disputed transactions, I still find £100 fairly reflects the impact of TSB not handling the fraud claim correctly at the outset.

My final decision

For the reasons I've explained, I uphold this complaint.

To put things right, I require TSB Bank plc to:

- TSB should pay 8% per year simple interest on the refund amount of £501 from the date it debited the account until the refund was made. If TSB considers it's obliged to remove tax from this interest, it should tell Mr and Mrs C how much it has taken off. TSB should give Mr and Mrs C a certificate showing how much tax it's taken off, if they ask for one.
- Pay Mr and Mrs C £100 in recognition of the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 5 September 2025.

Eleanor Rippengale
Ombudsman