

## The complaint

Ms E complains that TSB Bank plc won't reimburse her with money she lost to a scam.

Ms E brings her complaint to us with the assistance of a professional representative, but for ease I'll refer to their submissions as being from Ms E.

## What happened

In June 2024 Ms E says she applied for a job and was contacted by someone claiming to represent a company I'll call C. C's representative said Ms E would earn money by evaluating products, and after completing a stated number of tasks she could withdraw her money. Ms E was given a 'super deal' which required her to pay a small amount to C. She did so and was able to withdraw her money. She was also added to a group chat on a social messaging platform.

Ms E paid larger amounts for further super deals, but when she realised she was unable to withdraw her profits she refused to pay more and threatened the police. At that point, C's representative removed her from the group chat and Ms E realised she'd been the victim of a cruel scam. Ms E made the following card payments to her account with an Electronic Money Institution ('EMI') I'll call R:

Date and time	Amount
29.06.24 at 21:08	£1,665.99
29.06.24 at 21:12	£1,002.99
29.06.24 at 21:36	£1,702.99
29.06.24 at 21:40	£123.99
29.06.24 at 21:49	<i>£123.99 (but re-credited to Ms E's TSB account so not included in the total)</i>
30.06.24 at 12:37	£1,702.99
Total	£6,198.95

Ms E contacted TSB which initially said it would refund her under its Fraud Refund Guarantee (FRG). But when Ms E said she'd made card payments to her own account with R, TSB said its FRG didn't apply because it said she'd not lost money from her TSB account but rather from her account with R.

Unhappy with the outcome, Ms E complained to this Service. Our Investigator upheld her complaint and said the FRG applied. So she said TSB should refund Ms E's money in full

under the terms of the FRG.

Ms E responded to ask whether we would require TSB also to add interest to the refund. Our Investigator explained her view that refunding the payment under the FRG was enough to put things right, given this would give Ms E a full refund. If the FRG didn't apply then our usual approach would be to assess any contributory negligence by the consumer, and it would be likely any award we would have made would be reduced by around 50% to reflect Ms E's contribution to the loss. So we didn't consider it would be fair to require TSB to add interest to the refund in this case. Ms E then confirmed she accepted our recommended settlement.

TSB did not accept the outcome. Initially it asked for evidence that Ms E had not received any refund from R, which she provided by way of her account statements from R. But having reviewed the complaint again, TSB then said that it didn't agree that the fraud claim sat with TSB because the bank was not the 'point of exit'. In other words, it said Ms E lost money to the scam from her account with R and not directly from her TSB account.

### **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.

It's not in dispute here that Ms E lost her money to a cruel scam. I'm sorry to hear about it and I've no doubt it was a distressing experience for her.

TSB didn't sign up to the Contingent Reimbursement Model ('CRM'), which was a voluntary scheme providing refunds for fraud in some scenarios. Instead, TSB implemented its own FRG when the CRM was brought in – and the FRG is relevant to the disputed transactions in this case.

Like our Investigator, I consider TSB should refund Ms E for the card payments she made using her account with TSB and that she lost to the scam. I'll explain my reasons.

TSB says on its website that the FRG *"applies for payment fraud transactions on your TSB account during the period of 14 April 2019 until midnight on 6 October 2024"*.

Ms E made the disputed payments during the period the FRG applied.

TSB says that the disputed payments went to an account in Ms E's name with R, before being sent to the scammers and so the money wasn't lost from her TSB account.

But victims being persuaded to transfer money through one or more accounts in their name, before being lost, is a common tactic employed by scammers to avoid detection. TSB will have been aware of 'multi-stage fraud', yet scams involving this payment journey scenario aren't specifically excluded. The wording of the guarantee is very broad, and I consider Ms E is still an innocent victim of fraud on her TSB account even if the funds were initially paid to another account before being lost. So, I don't think TSB can fairly decline a refund for this reason under the terms of the guarantee.

For completeness, I don't consider any of the exclusions under the FRG apply. TSB said it wouldn't pay its customer's loss under the FRG in certain circumstances. In summary, TSB said it wouldn't pay its customer's loss under the FRG where: its customers are involved in committing the fraud; its customers have abused the guarantee; and/or where there is a purchase dispute. I've considered these exclusions in turn:

- There's no suggestion Ms E was involved in committing the fraud.
- TSB doesn't appear to have argued that Ms E "abused the guarantee" in circumstances described in the FRG: *"for example, by making a payment despite suspecting it to be a scam, by not following account safety information, and/or by making repeated claims under the guarantee"*. But it has mentioned that it blocked a payment Ms E initially made to an EMI I'll call T, before sending money to R. So for completeness I've considered this point.

I don't think there's any evidence Ms E did abuse the guarantee. I've noted that TSB did block a payment Ms E initially made to T. But I've listened to the call and I note TSB asked Ms E to confirm some personal information for account verification purposes. It also asked her to confirm that no-one was forcing her or pressurising her to make the payment. So I can't see she ignored safety information (or that she knew she was falling victim to a scam). TSB hasn't suggested she's made repeated claims under the guarantee.

- There's no suggestion the disputed payments related to a payment dispute.

So I find that TSB should fairly and reasonably refund Ms E her loss of £6,198.95 under the terms of its FRG. For the avoidance of doubt I am satisfied that Ms E was not able to recover her money from R, based on the evidence she's provided from R.

While the interest point is no longer in dispute, for completeness I should say that I won't require TSB to add interest to the refund for the same reasons given by our Investigator.

I have found TSB should refund Ms E her loss represented by the disputed payments under the terms of its FRG. So it follows that I do not need to go on to decide whether and to what extent TSB should have intervened to warn her about common scams or her likely response to any such warning.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint. I require TSB Bank plc to pay Ms E the amount of £6,198.95 representing the payments she made from her TSB account and lost to the scam.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 16 February 2026.

Amanda Maycock  
**Ombudsman**