

The complaint

Ms P complains that TSB Bank plc (“TSB”) won’t refund her money, which she believes she has lost to a scam.

What happened

The background to this complaint is well known to all parties, so I won’t repeat it all again here. But in summary, I understand it to be as follows.

In or around March 2025, Ms P came across an advertisement, on a well-known social media platform, for a property auction. Ms P saw a piece of land that she was interested in and put a bid in for it, through an auction company I’ll refer to as “P”.

The bid was accepted and so, on 11 March 2025, Ms P attended a TSB branch and made a payment of £8,000 to P. However, two weeks later Ms P says that P contacted her saying that an additional £7,000 was due to complete the sale, which included fees, and if this wasn’t paid the land would be put back up for sale.

Ms P has said she hadn’t previously been told about the fees and, as she only had £8,000, she didn’t want to proceed with the purchase and so she asked P for a refund. However, P hasn’t refunded her, and she now believes they have scammed her.

Ms P raised the matter with TSB, but it did not consider it was liable for Ms P’s loss. In summary, this was because it thought what had happened was a civil matter. It suggested she raise a Visa dispute, which Ms P did, however this was unsuccessful as the payment was made via faster payment, rather than by Visa card.

Unhappy with TSB’s response, Ms P brought her complaint to this service. One of our Investigators looked into things. But they agreed with TSB that this was most likely a civil dispute, and so Ms P was not entitled to a refund. Our Investigator did think TSB had made an error in suggesting that Ms R raise a Visa dispute. In view of this, he recommended it should pay her £150 for the distress and inconvenience caused.

TSB accepted our Investigator’s view. But Ms P disagreed, in summary she maintained that P had scammed her and that TSB ought to have done more to protect her.

As agreement couldn’t be reached the complaint has been passed to me for a final 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.

Having done so and having thought very carefully about TSB’s actions, I agree with the findings set out by our Investigator. I do appreciate how disappointing this will be for Ms P but, whilst I’m sorry to hear of what’s happened, I don’t think I can fairly hold TSB liable for her loss.

In her submissions and response to our Investigator's view, Ms P has provided some detailed arguments, as to why she thinks what has happened is a scam and why she thinks TSB is liable to reimburse her the money she lost.

I won't be responding in kind, and I won't necessarily go through every single point on a strict point-by-point basis, nor go through all the potentially relevant rules line-by-line, as a court might. I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

When considering what is fair and reasonable in this case, I've thought about the relevant rules that were in place at the time these disputed payments were made. In response to our Investigator's view, Ms P has mentioned the Contingent Reimbursement Model (CRM Code) and TSB's Fraud Refund Guarantee. However these were no longer in place at the time Ms P made her payments, so they are not a consideration here.

But from 7 October 2024, Payment Services Providers in the UK, like TSB, have been bound by the Faster Payments Scheme (FPS) and the CHAPS reimbursement rules ("reimbursement rules"). Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed – but "private civil disputes" are not covered.

I've therefore considered whether what has happened between Ms P and P meets the reimbursement rules' definition of an APP scam or could more reasonably be classed as a civil dispute. The rules define an APP Scam as:

"Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a consumer into transferring funds from the consumer's relevant account to a relevant account not controlled by the consumer, where:

- *The recipient is not who the consumer intended to pay, or*
- *The payment is not for the purpose the consumer intended"*

By contrast, a private civil dispute is defined as a *"dispute between a consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty"*.

So, in order to consider what has happened here as an APP scam, I would need to be satisfied that it involves criminal deception. The evidence for this would therefore need to be convincing.

Ms P paid P, and I've seen nothing to suggest that this was not who she intended to pay. So, Ms P cannot be said to have paid a recipient she did not intend to pay, as per the definition above.

Ms P's purpose for the payment was to purchase land, and while I appreciate that she ultimately hasn't received what she paid for, the evidence I've seen suggests that P was more likely than not a legitimate business, which intended to provide the service Ms P had paid for.

I say that as, at the time the payments were made, P was registered on Companies House and appears to have been a going concern and seems to have been for some time prior to Ms P making the payment, with evidence of it filing accounts. As well as this, open-source research shows P still has a live website and, while there are some negative ones, the vast majority of online reviews of its service are from customers expressing satisfaction. Which further supports that P was, and still is, a legitimate firm providing a service that is in line with what the purpose of Ms P's payment was intended for (real estate).

Ms P has said that she wasn't aware that fees would be charged. However, from looking at P's terms and conditions, they do state that fees will be applied. As well as this, I can see that Ms P had signed a 'Buyers Terms – Customer' document which detailed a price agreed of £10,000 and an Admin Fee of £5,000. So, I can't fairly say that P has concealed fees to the extent where I could reasonably say there was an intent to deceive Ms P.

I acknowledge that Ms P did not ultimately receive what she had paid for, but there could be many reasons for this, other than fraud. The evidence here lends itself more to the notion that a genuine land purchase has fallen through, due to a disagreement over price/fees, as opposed to an intent to commit fraud.

Overall, I've not seen persuasive evidence that P set out to defraud Ms P. So, having thought very carefully about all that Ms P has said, and about the evidence provided by all parties to this complaint, I'm not persuaded that I can safely say with any certainty that P set out with an intent to defraud Ms P, or did not intend to fulfil the purpose it agreed with Ms P for the transaction.

As TSB didn't need to consider this as an APP scam then it didn't need to go on to contact the recipient account provider. It didn't need to intervene with the payment either, and even if it had I don't think it would have made a difference given, for reasons explained above, I think P was a genuinely operating business at the time Ms P made the payment. And I don't think there would have been anything apparent about the payment she was making that would have given TSB cause for concern that she may be at risk of financial harm.

Finally, I'm mindful that our Investigator recommended that TSB pay Ms P £150 in recognition of the service it provided, more specifically due to it suggesting, in error, that Ms P may be able to raise a Visa claim to try and recover the money she had lost.

I agree with what our Investigator has said on this point and £150 is an amount in line with what I would have recommended. So, I don't think it would be fair for me to order TSB to increase this amount.

I know this will be a huge disappointment to Ms P, and I appreciate how strongly she feels about this case. But for the reasons I've explained above, I do not consider that it was unreasonable for TSB to decline her claim under the relevant reimbursement rules.

Putting things right

For reasons explained above, I uphold this complaint in part and now ask TSB Bank plc to;

- Pay Ms P £150 in recognition of the distress and inconvenience caused.

My final decision

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or

reject my decision before 5 March 2026.

Stephen Wise
Ombudsman