

The complaint

B, a limited company, complains that TSB Bank plc ('TSB') could've prevented the loss they suffered as the result of a scam.

Mr H, a director of B, brings the complaint on B's behalf.

What happened

In 2020, Mr H found an investment with a company I'll refer to as C.

As part of the investment, Mr H sent six payments from B's account to C's account which was with TSB. The payments totalled £37,000.

Mr H says it was scam and raised a fraud claim with TSB saying:

- TSB failed to properly verify their customer when allowing them to open the bank account.
- TSB failed to prevent a fraudster from sending huge sums of fraudulently obtained money from the beneficiary account despite the account conduct being extremely concerning.
- TSB failed to act quickly and take appropriate action when notified of fraud by B's bank.

TSB said they didn't receive B's complaint about their customer.

As he didn't receive a response, Mr H brought a complaint to our service on B's behalf.

An investigator looked into the complaint but didn't uphold it. The investigator said that as the investment was made in Mr H's personal name, TSB couldn't be held liable for B's loss. The investigator explained that by withdrawing money from B for a personal investment, Mr H effectively owed B the money.

Mr H disagreed with the investigator's opinion and asked for an ombudsman to review his case. Mr H says the investment was made in B's name, not his personal name.

Having reviewed the case, I reached out to Mr H's representative and said I'd reached the same answer as the investigator. I explained that in order for me to be satisfied that the investment was made in B's name, I required communication between Mr H and his company accountant about the investment. I also asked for any emails between Mr H/B and C which confirmed that the investment was made was by B.

Mr H's representative responded saying that they were unable to provide any further evidence. They asked that Mr H's testimony be taken into account as evidence that it was a business investment.

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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened in light of the available evidence.

Here's it's not in dispute that B made the payments to C and they were authorised by Mr H. The issue in dispute is whether the investment was made in B's name, and whether TSB can be held liable for the loss B suffered.

The investment agreement was between Mr H and C and was signed by Mr H in his personal capacity, as well as by another third-party personal name. His business name is not referenced on the agreement and there isn't any wording that suggests Mr H was signing for and on behalf of B.

Mr H's testimony that this was a business investment in B's name is evidence. However, without supporting evidence from his company accountant or emails between Mr H/B and C confirming that the investment was made on B's behalf, I'm not satisfied that I can fairly say it's more likely than not the investment was made in B's name.

By using money from B's account to set up a personal investment, Mr H has withdrawn an asset from B for his own use, which would commonly be treated as a loan. So, rather than the funds being owed by TSB, B is owed the money by Mr H as its director.

This means that even if I was to uphold the complaint, it wouldn't be fair and reasonable for me to ask TSB to refund B as B hasn't suffered the loss, Mr H has in his personal capacity.

I'm really sorry to disappoint Mr H, but taking into account all of the evidence, I'm not satisfied that TSB could fairly be required to refund B.

My final decision

My final decision is that I don't uphold this complaint against TSB Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 20 November 2025.

Lisa Lowe
Ombudsman