

## The complaint

Mr N complains TSB Bank plc won't refund transactions made from his account which he says he didn't make or authorise.

## What happened

On 4 December 2024, Mr N received a payment of £731 into his TSB account. The money was spent within about 90 minutes. On 5 December 2024, TSB received notification the payment was fraudulent.

Mr N reported the transactions that had taken place after the £731 was paid in as fraud.

TSB looked into the transactions. It said it didn't agree they were fraud because the Personal Identification Number (PIN) was used for the card payments and Mr N had told TSB that his PIN wasn't with his card. TSB also said there was a faster payment on the same day for £90, which Mr N hadn't disputed. Mr N later told TSB his PIN was written down with his card.

TSB also decided to close Mr N's account and he discovered it had registered his details with Cifas – a fraud prevention database. These issues are the subject of a separate complaint.

Mr N referred his complaint to our service. An Investigator considered the circumstances. He said, in summary, he thought the transactions were authorised given that Mr N had been inconsistent with the matter of his PIN being written down or not and this wouldn't explain how someone had been able to make the online faster payment from Mr N's mobile banking – which Mr N had now told us was also unauthorised.

Mr N didn't agree with the Investigator's findings. He said he wanted an Ombudsman to review the complaint. So the complaint was passed to me.

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 N liable for transactions which the evidence suggests he made or authorised. Or if the evidence shows he has failed with intent or gross negligence to keep his account details safe.*

*On 4 December 2024, Mr N received a payment of £731 into his TSB account. The money was spent very shortly after it credited Mr N's account over a period of about 90 minutes. Mr N disputes making any of these transactions. TSB received notification on 5 December 2024 that the £731 payment was fraudulent.*

*TSB has provided evidence which shows Mr N's card and PIN was used to make the four payments Mr N initially disputed. Mr N doesn't dispute his genuine card was used since he reported it lost/stolen on 9 December 2024. TSB's evidence shows the faster payment was made online using a device that had been registered on Mr N's mobile banking the week before the payment was made and approved by biometrics.*

*Mr N reported the debit card lost or stolen on 9 December 2024 over the phone. I've listened to this call. During this call, Mr N says his PIN wasn't with his card. However, Mr N told TSB in another phone call on 20 December 2024 that he had the PIN written down with his card because there wasn't a way to view it in the app.*

*The last undisputed use of Mr N's debit card was on 1 November 2024 but this transaction didn't require Mr N's PIN to be entered. The evidence provided by TSB goes back to June 2024 – there are no card and PIN transactions at all prior to the transactions Mr N is now disputing. Mr N initially told TSB his PIN wasn't with his card. But he now says his PIN was written down in his wallet with his card. This would explain how it might have been possible for a third party to have used Mr N's card without his permission. But this isn't what Mr N initially told TSB. This means Mr N hasn't been consistent about this and so it's difficult to rely on his testimony.*

*The transactions were made on 4 December 2024. Mr N didn't report the card missing until 9 December 2024. It's not clear to me why, if Mr N's whole wallet had gone missing, he didn't report the card as lost or stolen sooner – particularly as he now claims the PIN was with the card.*

*Mr N also told our Investigator that a £90 faster payment out of his account was also unauthorised. TSB's evidence shows this payment was made using a device that was registered to Mr N's TSB mobile banking on 26 November 2024. To do this, a One-Time-Passcode ("OTP") would have been sent to Mr N's registered phone number – the same phone number Mr N has told our service is his. Like our Investigator, I've not seen anything to suggest Mr N's phone was out of his possession at any time in order for someone else to obtain the OTP. Nor do I think it's likely an unknown third party could have taken Mr N's phone, obtained the OTP and then returned it to him – all without him noticing. So I don't find it likely that the registration of the new device on Mr N's mobile banking was done without his involvement. And it was this device that was used to make the £90 payment Mr N is now disputing. Given all of this, I think the £90 faster payment was, on balance, made with Mr N's authorisation.*

*After the new device was registered, the original device on Mr N's mobile banking was used to make a £50 payment to another account in Mr N's name on 30 November 2024 – which Mr N hasn't disputed. This reversed the regular £50 standing order Mr N had set up to credit his TSB account. So this left the account balance at zero before the disputed activity began.*

*Overall, I find it strange that Mr N reduced his account balance to zero, his card was lost or stolen (along with the PIN) and a new device was added to his mobile banking all within a few days of a fraudulent payment being made into the account. It seems to me access to the card, PIN and mobile banking were all obtained for the purposes of being able to access the funds that credited Mr N's account on 4 December 2024. So I'm not persuaded that the transactions took place without Mr N's involvement in the circumstances he's described.*

*Even if I didn't think the transactions were authorised, Mr N has an obligation under the PSRs to keep his security credentials safe. So I'd need to consider whether he'd failed with intent or gross negligence to do so.*

Whether someone has acted with “gross negligence” is assessed on a case-by-case basis taking into account all the circumstances. An example of gross negligence given in the PSRs is:

*“...keeping the credentials used to authorise a payment transaction beside the payment instrument in a format that is open and easily detectable by third parties.”*

*Mr N said that his PIN was written down with his card, along with his internet banking details. Mr N has said the reason for having the PIN written down in particular was that it wasn't viewable in the app.*

*The terms and conditions of Mr N's account say, under the heading “what shouldn't you do?”:*

*Don't let anyone know your security details. You can prevent this by:*

- *Not writing down your security details in a way that can be understood by someone else.*

*If I'm to accept Mr N had his security details written down, seemingly in a way that could be understood since they were successfully used, I find Mr N has failed with gross negligence to keep his security details safe as he's required to do under the terms and conditions, as well as the PSRs. So, TSB still wouldn't be obliged to refund the disputed transactions even if I didn't think Mr N had authorised them.*

*In any event, all of the payments Mr N is disputing were funded by a credit in of £731. TSB received notification shortly after it was received into Mr N's account that it was fraudulent. And, when asked, Mr N couldn't provide anything to show he was entitled to the funds. So, in these circumstances, I'm satisfied Mr N wasn't entitled to them. So even if I thought Mr N hadn't authorised the transactions (or wasn't otherwise liable for them), it wouldn't be fair or reasonable to require TSB to refund money to Mr N that he wasn't entitled to in the first place.*

## **Responses to my provisional decision**

Mr N responded to say, in summary:

- His wallet had been stolen. He didn't notice the theft straight away (because the TSB account wasn't his main account) and was reluctant to admit to TSB initially his PIN had been written down in his wallet.
- He was at work at the time of the disputed transactions and so could not have made or authorised them.
- His explanations had differed not because of dishonesty, but because he was scared, confused and embarrassed.

TSB did not respond by the deadline we set.

## **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.

Mr N has reiterated that his wallet was stolen and that he was at work at the time of the disputed transactions. Mr N says this means he couldn't have made or authorised the disputed payments. I explained in my provisional decision why I thought the transactions were likely authorised. Mr N doesn't need to have physically made the transactions himself

for them to be authorised, so my finding remains the transactions were, on balance, authorised.

But in any event, I also explained in my provisional decision why - even if I accepted the transactions were unauthorised - Mr N would still be liable for them. This was because the PIN was written down in his wallet, in a way that could be understood that it was the PIN, by someone else, and I found that to be grossly negligent in the circumstances. So, I don't find what Mr N has said about the matters of the theft of his wallet and his location makes a difference to the outcome of his complaint.

Mr N has made the point that his differing explanations were not because he was being dishonest, but because he was scared and confused. While that might be the case, the fact remains that Mr N has given differing explanations throughout, including changing which transactions are in dispute and also being unable to provide evidence he was entitled to the funds from which the disputed transactions were made. This means it's difficult to rely on his testimony. And, in any event, I remain satisfied it would not be fair or reasonable to require TSB to refund transactions that were made from funds Mr N can't show he was entitled to.

Overall, I remain satisfied TSB is not obliged to refund the disputed transactions.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 4 December 2025.

Eleanor Rippengale  
**Ombudsman**