

The complaint

Mr M complains that TSB Bank plc didn't do enough to prevent the loss he suffered when he says a third party made transfers from his account.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of the key events here.

Mr M complains that a third-party made various transactions from his TSB account without his knowledge from 2010 to 2021 whilst he was out of the country. The money that was spent had been mainly put into his account by HMRC for a child benefit application Mr M had made before he left the country in 2010. TSB reviewed the complaint and offered a total of £6,404 to him for payments going back to 2018. But he would like TSB to pay for all the transactions going back to 2010. So, he brought his complaint to the Financial Ombudsman Service.

Our Investigator didn't think the complaint was one we could deal with and that Mr M had made it too late. He added that Mr M was likely outside of the time limits to raise a claim under the Payment Service Regulations (PSR) 13-month time limit to raise a disputed claim.

Mr M disagreed and asked for an Ombudsman's review.

I was allocated the complaint, but I wasn't minded to ask TSB to make a further offer to Mr M here. I said that the payments from 2010 to 2018 had been made out of time under the PSR so I didn't think I could reasonably ask TSB to do anything more here.

Mr M disagreed. He said he went to a branch in 2021 but was told his account no longer existed. He said it was when he applied for child benefit for his other children that HMRC told him he owed them money.

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 read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

TSB has said that it is making the refund for the payments made from 2024 back to 2018 in line with its fraud guarantee and isn't prepared to pay more than that because under the Payments Services Regulations (PSRs) Mr M had thirteen months to raise disputed payments on his account.

The relevant law in relation to the unauthorised payments is the Payment Services Regulations 2009 and 2017 – these set out when a customer is entitled to redress for unauthorised transactions. It says that the payment service user (Mr M) is only entitled to redress if he notifies the payment service provider (TSB) without undue delay, and in any event no later than 13 months after the date of the disputed payments.

This means that I can't reasonably ask TSB to refund any of the unauthorised payments Mr M has raised here unless there were extenuating circumstances even if TSB has made an offer to settle the complaint. That offer from TSB doesn't automatically entitle Mr M to a refund of all the disputed payments here.

Mr M said he was abroad for a long time and that he only planned to go for a few weeks before he became ill. However, he was then away for eleven years. I accept that he wasn't in the country during this time, but I don't think that means that he shouldn't have been reasonably keeping an eye on his bank accounts especially if he was only ever meant to go away for a few weeks. I think my position may be different if he intended to leave the UK permanently in 2010 and never returned and had asked TSB to close his account. But that's not what's happened here.

It's within the terms and conditions of the account that Mr M should keep TSB aware of any significant changes (address and contact details) and that he should also make it aware of any suspicious payments on his account that he didn't make within 13 months. So, I don't think leaving the country for as long as he did without keeping TSB informed of such a dramatic change in his circumstances was reasonable here. I accept Mr M may have been ill for some of the time he was abroad, but I don't think that means he had no ability over the eleven years to get in contact with the bank. And by failing to do so he has left his account more vulnerable to the sort of transactions he is now disputing.

I've also considered that Mr M made the application for child benefit with HMRC and didn't make any further attempts to find out if that application had been accepted and paid into his account. Given this was child benefit, I don't think it's more likely than not that such an application would've simply been forgotten about. And that it wasn't until HMRC chased Mr M following a further application for child benefit for different children Mr M brought back to the UK with him, that he noticed the disputed payments which appears to have been around two years after he returned to the UK.

I also think there was also more than enough time after his return to the UK to have reasonably raised this issue with TSB. I note Mr M said he was told that his account no longer existed. But I think that even if he was told that he had reasonable cause to question that given I don't think he could've reasonably forgotten about the child benefit that was being paid into the account.

Additionally, there also the issue with Mr M's bank card being left in the UK with a PIN number that has been used by a third party. It's within the terms and conditions that his card and PIN number should be held securely. Mr M said he doesn't remember giving his PIN and card to anyone but that doesn't explain how a third-party was able to access that information in his absence. Again, this is another factor which has led to his account being more vulnerable to third-party abuse.

As a result, I can't reasonably say to TSB that it should provide a further refund here. I don't think that Mr M's circumstances mean I can fairly say to TSB that he was unable to contact it at all whilst he was out of the country. It's for the above reasons that I think the offer from TSB is more than reasonable here. And I'm not going to ask it to do anything further.

My final decision

My final decision is that I uphold this complaint in part. The offer from TSB Bank plc to provide a part refund of £6,404 is reasonable here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 March 2026.

Mark Dobson
Ombudsman