

The complaint

Mrs W complains that TSB Bank plc ('TSB') won't refund her money, which she believes she has lost to an authorised push payment ('APP') scam.

What happened

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

On 6 July 2025, Mrs W made two payments totalling £460 to a person I'll refer to as 'R'. Mrs W had been approached by R, in the street, who purported to be selling genuine products from a well-known brand - I'll refer to as 'A'.

R showed Mrs W the items working and she says he pressured her into sending the funds via faster payments. Mrs W made a payment for £300 and £160 for what she believed was the purchase of genuine goods (a phone, two watches and a pair of air pods), which were intended to be Christmas presents for her children.

Mrs W says she checked the serial numbers on the products once she returned home and, doesn't believe them to be genuine products – Mrs W believes she was sold fake/counterfeit goods.

Believing she'd fallen victim to a scam, Mrs W raised the matter with TSB, but it did not consider it was liable for Mrs W's loss. In summary, this was because it thought what had happened was a civil matter.

Unhappy with TSB's response, Mrs W brought her complaint to this service. One of our Investigators looked into things. But she agreed with TSB, that this was most likely a civil dispute, and so Mrs W was not entitled to a refund of the payments she had made.

Mrs W didn't agree with our Investigator's view, she maintained that what had happened was a scam. 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.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

It is important to note that I am not deciding a dispute between Mrs W and R (the seller). I do not have the power to consider any potential criminality or complaints about the seller. My role is limited to deciding the dispute between TSB and Mrs W. So, I need to decide whether

TSB acted fairly when it concluded that this amounted to a civil dispute and not a scam, such that it did not need to reimburse Mrs W in this case.

Having reviewed the evidence provided to me, I agree with the outcome reached by our Investigator, for largely the same reasons, and so I won't be upholding this complaint. I appreciate this will be disappointing for Mrs W. I've explained how I've reached my conclusions below.

The APP Scam Reimbursement Rules

I've thought about the relevant rules that were in place at the time the disputed payment was made. 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 Mrs W and R meets the Reimbursement Rules' definition of an APP scam or could more reasonably be classed as a civil dispute. The Reimbursement 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".

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

"2.6 Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act."

2.5 provides an example of when this might apply:

"...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier."

Mrs W paid R - the seller, whom she had intended to pay, and so I need to determine whether Mrs W was deceived about the purpose of the payments she made. Mrs W paid R for several items – two watches, a phone and air pods. Mrs W did receive goods from R, albeit she now believes the goods are fake/counterfeit. So, I need to consider whether the evidence suggests that at the time of the payments, R accepted the payment with no intention of fulfilling their obligations to Mrs W. And having done so, I don't think there is enough evidence to conclude that it is more likely than not that R never intended to act in line with the agreement that had been made. I'll explain why.

Based on the evidence available to me, I'm not persuaded it is sufficient to determine that the high bar for a scam has been met here. I am sorry as I know this will come as a disappointment to Mrs W. But where the evidence is incomplete or contradictory, I must reach my findings on the balance of probabilities, that is what I consider more likely than not to have happened.

Mrs W was approached, in the street, by R about items/goods he had available to sell. Mrs W has said R showed her an ID badge for a company I'll refer to as 'AM' and claimed he worked there with access to discounted stock and that he demonstrated the items which appeared genuine.

Due to the way in which Mrs W and R met, it isn't possible to know exactly what was said and agreed about the items/goods – there are no receipts or paperwork in relation to the items Mrs W paid for and so, it is not fully clear on what specifically was agreed between Mrs W and R about the items. I would need to be clear on what Mrs W was buying in order to determine if the seller had not intended to fulfil their agreement.

Mrs W told us the items packaging, and the devices looked authentic and appeared exactly like genuine products from A. I also have to keep in mind that Mrs W received the four items she paid for and so, it seems that the purpose of the seller – R – were broadly aligned in this regard.

I acknowledge that Mrs W says that, after checking the serial numbers and connecting the devices to her phone, she discovered that the serial numbers on the boxes and packaging did not match those on the devices themselves. She has provided photographs of the packaging and a picture of one of the watches in support of this.

However, when I searched the serial number shown on the watch, the information returned indicated that the watch was genuine and that the warranty coverage expired in September 2025. In light of this, while I appreciate Mrs W's account and the strength of her feelings, the evidence available to me does not persuade me that it is more likely than not that she did not receive a genuine item.

Mrs W has explained she is unable to provide photos of every serial number now, which means I've not been able to check these for all of the items/goods Mrs W paid for. But Mrs W did inform our Investigator that when she checked the serial number of one of the items R showed her, it showed as a genuine device - albeit Mrs W has told us she didn't check every serial number at the time as she trusted what she'd already seen and checked.

In the absence of clear information around what specifically was agreed between Mrs W and R, I cannot be sure what R told Mrs W about the authenticity of the products. I say this because, the price R asked for the four items Mrs W agreed to buy was considerably less than the items retail value – even when considering what Mrs W has said about R working for AM and having access to discounted stock.

I'd like to assure Mrs W that my comments are not intended to cause her further upset or distress, but I can't ignore that Mrs W chose to purchase goods which she believed to be genuine products from A, from someone she was approached by in the street. It seems unusual that she tried to buy the items this way. In buying the items via this route, as I've explained above, it means that there is little evidence to support what Mrs W and R discussed in relation to the quality, origin or condition of the goods.

I'm aware Mrs W has also raised the items/goods were misrepresented to her – as she was led to believe she was paying for genuine products from A but says the items were not genuine.

I cannot rule out that R may well have misrepresented aspects about the items/goods, but I'm afraid based on everything I've seen and been told, I'm unable to conclude that is more likely than not now. Again, in the absence of clear information around what the seller offered to Mrs W and what was agreed – other than Mrs W's testimony that R told her the items were genuine products from A – the concerns could more closely resemble a complaint about the quality of the goods Mrs W received or that the goods were defective in some way, which is specifically excluded from the definition of a scam in the Reimbursement Rules. In addition, the evidence provided does not demonstrate that the seller – R – knew that the items were not as described and that he didn't disclose that to Mrs W. Mrs W has shared that the boxes, seals and printed details appeared exactly like genuine products from A and that when the device powered on initially, it displayed the logo and familiar set up screens. As such, I've not seen any evidence that the seller was aware the items were not as described or that R was acting fraudulently with an intent to deceive Mrs W. I'm afraid, based on the evidence I've seen, I can't safely conclude the seller had set out to deceive Mrs W in the circumstances of this case.

While I accept there are some aspects Mrs W has raised that she feels are hallmarks of a scam, I have to keep in mind that there are also other possible reasons for them being present. I need to weigh up what I think is more likely than not to have happened here and whether R set out to defraud Mrs W. As I've said above, I can't know for sure what was intended, particularly in the absence of any direct contact and testimony from the third party involved – R. Instead, I need to make my decision based on the evidence that is actually available to me and considering whether I think that evidence shows fraud is the most likely of the possible outcomes (in other words, applying the balance of probabilities).

Overall, and on balance, I don't find this situation meets the definition of an APP scam as set out in the Reimbursement Rules. 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 payments either.

Mrs W has my sympathy, in that she hasn't received what she was expecting. But overall, I don't think TSB has treated Mrs W unfairly when it made the decision not to reimburse her.

For the reasons I have explained, I'm satisfied Mrs W isn't due a refund under the Reimbursement Rules nor can I see there are other grounds on which I could say that TSB should, fairly and reasonably, bear the responsibility for Mrs W's loss.

For completeness, I'm aware Mrs W has raised vulnerability. I'd like to thank Mrs W for the information she has kindly shared with us, but I'm afraid, as I've concluded TSB hasn't acted unfairly in deeming this matter a civil dispute between Mrs W and R, vulnerability considerations under the Reimbursement Rules don't apply here.

I also note Mrs W in her initial complaint submissions said she was asked to complete a fraud form and received an email confirmation but was later told there was no record of it. She says this left her feeling confused and anxious. Mrs W has provided a copy of an email dated 6 July 2025 confirming completion of a purchase scam report.

TSB has said when Mrs W raised her complaint on 10 July 2025, she was informed the form could not be located. TSB has suggested there may potentially have been a technical issue when the form was submitted and acknowledged this would have been upsetting for Mrs W.

I can't determine what happened to the form. While I accept this would have been frustrating for Mrs W, I'm mindful that following her call on 10 July 2025, TSB did look into the matter. In the circumstances, I don't make any specific recommendations on this point.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 8 May 2026.

Staci Rowland
Ombudsman