

## **The complaint**

Mrs S, via a representative, has complained that TSB Bank plc (“TSB”) failed to refund the money she lost as part of a scam.

## **What happened**

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though Mrs S and her husband Mr S were the victims of a series of scams. These included an initial investment scam and at least one recovery scam.

Mrs S made 1 payment as part of the scam from her TSB account. The funds were the proceeds of a loan that she took out with TSB. These were made by transfer to an account she held jointly with her husband with another current account provider. The funds were then eventually sent on to the scammers via a different current account provider and crypto exchange. This transfer was for £20,000.

Mrs S and her husband realised they had been scammed and she asked TSB to refund the payment in question, as she believes TSB should have done more to prevent the scam. TSB did not agree with this.

One of our investigators looked into this matter and she initially thought that Mrs S had not sufficiently evidenced the extent of the loss that was suffered. She then was provided with more evidence that demonstrated that the funds had been sent to the scammer. However, she then did not think that TSB, had it intervened appropriately, could have uncovered or prevented the scam. She therefore did not uphold this complaint.

Mrs S did not agree with this and therefore this case has been passed to me to issue 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 am required to take into account relevant law and regulations, regulators’ rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is more likely to have (or would have) happened, in light of the available evidence and the wider circumstances.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this and this reflects the nature of our service as a free and informal alternative to the courts.

In broad terms, the starting position is that TSB is expected to process payments and withdrawals that a customer authorises it to make. This should be in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

However, taking into account relevant law, regulatory rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that TSB should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice TSB sometimes does); and
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Firstly, it is arguable as to whether TSB needed to intervene at all. The transaction whilst larger than the usual payments that Mrs S made was made to an account that Mrs S held jointly with her husband and was an account she had transferred funds to frequently in the past. It would not be unusual for someone to send the proceeds of a personal loan to a jointly held account in one lump sum shortly after a loan was taken out.

I also don't think that, had TSB intervened, the scam would have been stopped. Mrs S's husband was clearly under the spell of the scammer and was clearly very confident at the time that what he was doing was legitimate – given that he was prepared to ask his wife to borrow £20,000 and then send it to a third-party. I also say this because, even when other account providers did intervene because of concerns that he was potentially being scammed, he chose to provide misleading information, to ensure the transactions could be made regardless of what they said.

So I need to consider whether Mrs S would also have provided misleading information if questioned by TSB. Firstly, I note that Mrs S did take out a loan on request by her husband. I also note that she said on the loan application that she needed the loan for home improvements - which suggests she was willing to also provide misleading information to ensure that the loan application would be approved. Given this, on balance, I think that it is likely even if TSB had asked questions about the payment, Mrs S would have liaised with her husband as to what to say and her husband in turn would have checked with the scammer. I also don't think that a complicated cover story would have been needed as all Mrs S would have to say is that they wanted to pay the builders or suppliers for the home improvements from a joint account. And I can't see any reason why TSB would've doubted that, given the information that Mrs S provided on the loan application. So overall, even if I thought that TSB should have intervened, I don't think that it is more likely than not that the scam would have been uncovered.

I've also thought about whether TSB could have done more to recover the funds after Mrs S reported the fraud.

TSB are under no obligation to refund the money under any of the reimbursement schemes as the funds were sent to accounts in Mrs S's own name. So I don't think that the funds could have been recovered by other means.

I appreciate this will likely come as a great disappointment to Mrs S, and I'm sorry to hear she has been the victim of a number of scams. However, whilst I have a great deal of sympathy for the situation that Mrs S found herself in, I'm not persuaded that TSB can fairly or reasonably be held liable for this loss in these circumstances.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 11 February 2026.

Charlie Newton  
**Ombudsman**