

The complaint

Mr T complains that TSB Bank plc has held him liable for a failed cash withdrawal.

What happened

On 17 September 2025, Mr T says he tried to withdraw £170 from an Automated Teller Machine (ATM) but he says the presented cash was retracted back into the machine. He says he tried again a second time, and this time he was able to withdraw his money as planned.

Mr T wanted to see if the initial £170 withdrawal was automatically reversed, but when this didn't happen, Mr T contacted TSB to raise a dispute. The bank contacted the owner of the ATM and refunded the £170 to Mr T while it waited for a response. But when the ATM owner provided evidence which it says showed no discrepancies with the withdrawal, TSB accepted this and re-debited the £170 from Mr T's account.

Mr T raised a complaint. But TSB didn't uphold it. It said it had followed the process correctly to dispute Mr T's withdrawal, but this was unsuccessful. Mr T asked it to obtain CCTV which he says would've showed him not receiving the cash, but the bank explained this wasn't part of the process.

Mr T then referred his complaint to our service where it was considered by one of our investigators. He considered Mr T's version of events to be credible and wasn't satisfied that the evidence TSB had obtained from the ATM owner sufficiently demonstrated that Mr T had received the £170. So he recommended TSB refund Mr T the £170, plus interest.

TSB didn't agree. It reiterated that it had followed the correct process and had obtained necessary information required from the ATM owner as agreed via that process.

As no agreement could be reached, the complaint has been passed to me to decide.

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.

Having done so, I've reached the same conclusions as our investigator, for broadly the same reasons.

Firstly, I'd like to say that I fully appreciate the process TSB follows when it comes to contacting an ATM owner when there is a dispute over cash being received. But this process means TSB has no control over what evidence the ATM owner sends in response to a dispute. Here, I accept TSB followed the process, but, regardless of that, the regulations relevant to this complaint, The Payment Service Regulations 2017 (PSRs) say:

(1) Where a payment service user—

(a) denies having authorised an executed payment transaction; or

(b) claims that a payment transaction has not been correctly executed,

it is for the payment service provider to prove that the payment transaction was authenticated, accurately recorded, entered in the payment service provider's accounts and not affected by a technical breakdown or some other deficiency in the service provided by the payment service provider.

Here, TSB has provided a copy of the evidence it relied on from the ATM owner. This shows Mr T's two transactions, at 7.34am and 7.38am respectively. Both withdrawals were followed by a balance enquiry, and at 7.39am it shows that Mr T requested a printed balance too.

Nothing abnormal is recorded on the technical data for either transaction. Which suggests that they were both processed as expected. I'd also expect to see some kind of error message if either transaction hadn't dispensed the cash as it should, but this isn't shown. Mr T says when he didn't receive the first £170, he tried again and the second one was successful. If he had received the first amount, I wouldn't have expected him to request it again.

TSB says the evidence it obtained shows the ATM 'balanced' when it was next reconciled after Mr T used it on 17 September 2025. Whilst the evidence doesn't show any discrepancies, it doesn't give any break down of any money that had been retracted back into the ATM and stored in the purge boxes. Which may or may not have been included in the total 'balance' when the ATM was reconciled. Whilst I appreciate TSB followed the process expected when requesting evidence from an ATM owner, and I realise it couldn't reclaim the money from the ATM owner either; this process doesn't prevent TSB refunding its customer directly as per its obligations under the PSR's as mentioned above.

In my judgement, the evidence provided is not sufficient to demonstrate that Mr T received the £170 cash withdrawal he disputes. At the time of the withdrawal, Mr T had a significant amount of funds in the account. Whilst the account balance is not directly relevant to the complaint, in my judgement, it shows that Mr T has no reason to make a false claim of not receiving £170. And I've seen from the statements TSB provided that Mr T regularly makes cash withdrawals from an ATM without raising concerns about receiving these withdrawals.

I agree with our investigator that Mr T's conduct after he says the cash was not dispensed is in line with the conduct I'd expect of an individual that hasn't received the cash they requested. On balance, I'm not satisfied that Mr T received the £170 he requested.

I appreciate Mr T asked TSB to obtain CCTV of him not receiving the cash. But, TSB didn't own the ATM, and as I've explained above, the process it uses to obtain evidence from another ATM owner is reliant on the owner's response. So I can't say TSB has done anything wrong there. But, overall, for the reasons I've explained above, I'm upholding this complaint.

Putting things right

I require TSB Bank plc to:

- Refund the disputed £170 to Mr T's account.

- Pay 8% simple interest per year on this amount, from the date of the disputed withdrawal to the date of settlement (less any tax lawfully deductible).

My final decision

My final decision is that I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 18 May 2026.

Lorna Wall
Ombudsman