

The complaint

Mr S complains that TSB Bank plc trading as TSB Bank won't refund the money he says he's lost to a scam.

What happened

Mr S says he paid £650 to a scammer posing as an employee of a clothing company by faster payment on 23 October 2025.

He raised a fraud claim with TSB Bank. TSB Bank initially thought the matter was a civil dispute rather than a scam and then said that there is insufficient evidence of a scam occurring. It declined to refund Mr S. He complained about its decision, then referred his complaint to our Service when TSB Bank maintained its stance.

Our investigator didn't uphold Mr S' complaint. Mr S appealed the investigator's outcome, and his complaint has now 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.

It's not in dispute that Mr S authorised the £650 payment. That means the starting position is that he's liable for it. In line with the Payment Services Regulations, firms are expected to process payment instructions without undue delay.

However, Mr S says he made the payment as part of an Authorised Push Payment ('APP') scam. From 7 October 2024, Payment Services Providers in the UK are bound by the Faster Payments Scheme ('FPS') reimbursement rules. Under these rules, most victims of APP scams should be reimbursed.

To decide whether TSB Bank should refund Mr S' payment, I've therefore considered whether this issue meets the reimbursement rules' definition of an APP scam:

“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”*

Civil disputes – defined as *“A dispute between a consumer and a payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty”* – aren't covered by the reimbursement rules.

I can understand why Mr S feels he has been scammed if he hasn't received the goods he

paid for. But it seems clear that the disputed payment went to the person he intended to pay. And I haven't seen any persuasive corroborative evidence that there was a deception or mismatch regarding the payment purpose, or that Mr S has been the victim of a scam and/or suffered a financial loss as a consequence of fraud.

I cannot fairly or reasonably direct TSB Bank to reimburse Mr S in those circumstances. And I don't think it was unfair for TSB Bank to reject Mr S' claim under the FPS reimbursement rules, or to decline to reimburse him overall considering everything.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 May 2026.

Kyley Hanson
Ombudsman