

The complaint

Mr L complains that TSB Bank Plc trading as TSB (as the recipient bank) didn't do enough to prevent the loss he suffered when he was the victim of a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In July 2024 Mr L was tricked (via an email interception scam) into instructing a payment from his bank 'E' to an account that was held with TSB by a limited company I'll refer to as B. The payment took place on 30 July 2024 and was for £95,994.21. At the time Mr L believed the payment was going to HRMC to pay his taxes, but that wasn't the case.

TSB later sent a message through the Swift system to query the purpose of the payment, at which point the scam was discovered. TSB returned £110.21 which obviously still left Mr L at a significant loss.

Mr L complained to both E and TSB. I understand that E refunded Mr L with £47,972 on 15 April 2025 (this represented 50% of his outstanding loss after allowing for the returned funds from TSB). But they also said they didn't believe they should have full responsibility for the loss and asked that Mr L try to recover his losses from TSB as well. E have indicated that they will 'make Mr L whole' or ask that he reimburse them if he can make a greater recovery from his complaint about TSB.

Mr L didn't refer a complaint about E to our service, but he did refer this complaint about TSB to us. One of our Investigators considered the complaint and recommended it should be upheld. She thought TSB should refund Mr L with 50% of his remaining loss after the payment from E (this was because she made a reduction for what she considered to be Mr L's contributory negligence).

TSB accepted that outcome, but Mr L didn't. He asked for an Ombudsman to review his complaint. In April 2026 I issued a provisional decision in which I said:

"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'm intending to reach a different outcome compared to that of our Investigator. So, I'm issuing this provisional decision to give both sides a further opportunity to comment before my decision is finalised.

Firstly, I accept that Mr L has been the victim of a scam. But that doesn't in and of itself entitle him to reimbursement from TSB. As it relates to this complaint, Mr L doesn't have a customer or contractual relationship with TSB and they don't owe him a duty of care. That being said, TSB do have broad obligations to try to do what they can to try to prevent fraud and scams. And if they've failed in some way that could be said to be causal to Mr L's loss, then it may be fair and reasonable to make an award.

I've seen evidence that appropriate checks were conducted, and official identification documents were seen by TSB when opening the account that Mr L paid. I don't think they reasonably could've foreseen that the account would go on to be used in connection with a fraud or scam. I don't think there were any failures linked to the opening of the account which could be said to have caused the loss to Mr L.

But even in the event of finding a failure by TSB which could be said to have caused the loss, I'd still need to consider Mr L's own actions and whether it would be appropriate to make a reduction in any award due to contributory negligence. In the circumstances here, I think it would. I don't necessarily think it would've been reasonable to expect Mr L to have noticed the change in the email address that purported to be from his accountant. I understand this involved just the change of a single character and this is something I accept could easily be missed. However, Mr L has mentioned that he's been in business for many years. And the payment he made put down B as the recipient. Given Mr L's experience, I think it's reasonable to expect him to have questioned why a payment for HMRC was being sent to a separate limited company. And I'm satisfied that Mr L was most likely aware of this at the time because as well as the call with E, (in which he instructed the payment), there was a further call with E where B as the recipient was confirmed with him. Mr L hasn't referred a complaint about E to our service, and so I can't make any findings as to whether this is something his bank ought to have picked up on or warned about in this decision. I also don't think it's unreasonable for there to be a degree of proportionality as to the level of care that could fairly be expected. Generally speaking, I'd expect someone to be more cautious for a payment of around £95,000 compared to a smaller or nominal amount. And taking all of the above into consideration, if I were to make an award here, I'd make a reduction of 50% due to Mr L's own contributory negligence. I'm also satisfied that TSB couldn't reasonably have recovered more than they did once it was confirmed to them that Mr L's payment had been made as a result of a scam.

So even if I were to find that TSB had failed in such a way that more of Mr L's loss would've been prevented, the most I would award is 50% of the outstanding loss. And Mr L has already been put in that position as a result of the payment he's received from E. If E made that payment as a gesture, this doesn't impact my findings as to the outcome of this complaint. I'm required to reach an outcome that I believe to be fair and reasonable in all the circumstances. And I can't ignore the wider circumstances which includes the knowledge and evidence of the payment that's already been made by E. I appreciate Mr L may feel that TSB should make a further payment. But our service doesn't exist to punish or fine a respondent business. We're intended to resolve complaints between eligible complainants and regulated respondent businesses. I can only decide the complaint which is referred to me, which is this dispute between Mr L and TSB. And in that context, as I've mentioned, I would consider 50% of the loss to be fair redress for Mr L's complaint about TSB. But as he's already received that sum from E, there isn't a reasonable basis upon which I could direct TSB to make a further payment."

TSB responded and said they had no further comments. Mr L provided a response which I'll address below.

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.

Mr L says he was definitely informed by E that they had spoken to TSB and that his payment had been held. He questions why (if this was correct) funds were then released. I can confirm that the message (a copy of which has previously been shared with Mr L) from TSB to E confirmed that only 'partial funds remain'. And as I covered above, there isn't evidence

to support that TSB could've recovered more than they returned from the recipient account once the scam had been confirmed.

Mr L also suggests that both he and E feel that liability should be shared between E and TSB. As I've mentioned above, no complaint from Mr L about E has been referred to our service. This isn't an instance of considering two linked complaints, taking account of any relative failures and apportioning fair redress between more than one respondent. The only complaint referred to me to decide, is Mr L's complaint about TSB. And whilst I've taken account of the wider circumstances, my decision only concerns TSB and whether I could fairly require them to do more.

Mr L also questions my finding of contributory negligence. He highlighted the small difference in the email address used by the scammer and said he relied upon what he believed to be communication from his genuine accountant, in whom he had faith, having worked with them for years. I've considered this, and don't have much to add beyond the reasoning set out above on this point. But to reiterate to Mr L, I accepted the difference in the email address was minimal and this wasn't a factor in my conclusion reached on this point.

I'm sorry my outcome will come as a disappointment for Mr L, but having considered all his further comments, I'm not persuaded to deviate from the outcome explained in my provisional decision.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 20 May 2026.

Richard Annandale
Ombudsman