

complaint

Mr S complains that TSB Bank Plc won't refund payments he says he didn't make or authorise and that it's closed his account.

background

Mr S's bank statements show that online payments to a betting firm (which I'll call G) totalling over £18,000 were made between May and September 2016. In the period from May 2016 to June 2017 G made payments to Mr S's account totalling over £13,000. A further payment of £50 was made to G in June 2018.

Mr S says that, whilst he had an account with G, this was blocked in 2015 or 2016, so he can't have been responsible for payments after that. He disputes too that he received the credits that appear on his account statements.

TSB didn't accept what Mr S said. Its terms say that any dispute of this nature should be raised within 13 months, but only the June 2018 payment was raised within that timescale. In respect of that payment, the bank was satisfied that Mr S had made it. TSB later took the view that its relationship with Mr S had broken down and it closed his account in February 2019, having told him in November 2018 that it would do so. TSB wrote off the balance of Mr S's overdraft.

Mr S thought this wasn't fair and referred the case to this service, where one of our investigators considered it. He was satisfied however that Mr S had authorised the payments; he said too that TSB hadn't treated Mr S unfairly when it closed his account. Mr S didn't accept the investigator's findings and asked that an ombudsman review the case.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I have however come to the same overall outcome as the investigator did.

I'll deal first of all with the account closure. We won't generally intervene where a bank decides to close an account, especially where there's a legitimate reason for doing so and proper notice is given. In this case TSB said its relationship with Mr S had broken down; I find that explanation quite plausible. I note as well that TSB gave Mr S nearly three months' notice that it would close the account – more than the 60 days I'd usually expect. I'm satisfied therefore that there's no reason for me to intervene here.

I turn then to the payments to, and from, G. TSB's terms say that any dispute of this nature should be raised within 13 months. That reflects relevant regulations and the arrangements that payment services providers (which includes TSB and G's bankers) have amongst themselves. It doesn't mean, however, that this service cannot look at such disputes. It does mean, however, that the evidence about older payments may be incomplete. There is therefore more information about the payment made in 2018 than about those made in 2016.

G has confirmed that Mr S was a client. It's also said that payments to the account were verified – meaning the customer was asked for additional security information. G didn't feel that Mr S's account had been compromised. Its own investigations indicated that access to the account had been from an IP address that Mr S had used.

It appears that Mr S has been a regular user of gambling websites. His bank account statements indicate that his use of other sites stopped when the use of G's site began; and when he started using other sites again, G's site was no longer used. That suggests to me a link between the two.

Shortly before the use of G's website began, Mr S received a significant loan payment to his account. It was for nearly as much as the payments to G. And over the following year more than £18,000 was paid to G from Mr S's account, and more than £13,000 returned to it. Mr S didn't however suggest until more than two years after the loan payment that he hadn't authorised the account activity. It is in my view extremely unlikely that he wasn't aware of it; the fact that he didn't raise it until much later indicates that he authorised it.

I note as well Mr S only raised this complaint when he was contacted by a collection agency. The investigator thought this was unusual. I believe however that it's quite likely that it was that contact that prompted Mr S to complain not only about the 2018 payment but also about those going back two years.

For these reasons I think it more likely than not that Mr S did in fact authorise the activity on his TSB and that it wouldn't therefore be fair to require the bank to make any refunds.

my final decision

My final decision is that I don't require TSB Bank Plc to take any further steps to resolve Mr S's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 February 2020.

Michael Ingram
ombudsman