

## **The complaint**

Mr N complained because TSB Bank plc refused to refund him for transactions which he said he didn't make.

## **What happened**

Mr N opened his TSB account online in October 2022. There was no activity on the account until 13 December, when a faster payment for £8,500 credited the account. Someone saying he was Mr N went to a branch the next day, asking to withdraw £2,000 in cash. The branch refused, saying the customer needed to provide proof of entitlement to the funds.

The same day, a series of daily withdrawals started. These were a mixture of cash machine withdrawals of £500 a day, and branch withdrawals of £800.

Mr N went to a branch on 23 December with identification. He said the incoming money had been from a friend. He told TSB he hadn't made the withdrawals, which by then totalled £5,450.

TSB investigated. On 6 January 2023, it declined Mr N's fraud claim. It also said it was closing his account. Mr N complained. He said he'd been abroad at the time of the withdrawals, but TSB said this wouldn't change the outcome. It closed Mr N's account on 10 January.

TSB issued its final response to Mr N's complaint on 16 January. It said that it appreciated Mr N was distressed after its fraud department's decision about all the withdrawals since Mr N had opened the account. But it said that as some of the transactions had been made at a TSB branch, it had checked CCTV for those transactions. Mr N had provided identification, and that matched the person on the CCTV, so TSB had declined the fraud claim. TSB also said that the payments which Mr N had claimed as fraud couldn't have been made without the £8,500 initial credit. So whoever took out the withdrawals must have known about the account. So it refused to refund Mr N.

Mr N wasn't satisfied and contacted this service. He said that he hadn't received cards and PINs, and he said he'd had problems with his neighbours. He also said he'd been abroad at the time of the disputed transactions.

Our investigator didn't uphold Mr N's complaint. She said that the only activity on the account before the disputed transactions had been the £8,500 credit. She was satisfied that TSB had issued three cards and PINs to Mr N's address. Two cards were issued before there was any money in the account. The third card was sent out on 5 December, and was used for the first disputed withdrawal on 14 December, so whoever made the withdrawals knew when the £8,500 credit had been paid in. The investigator also pointed out that there was £3,050 left in the account, and the payments were made over seven days. This suggested that the person carrying out the transactions knew the card wouldn't be blocked. And whoever made them also knew what the cash machine daily limit was. She thought it was most likely that Mr N had authorised the disputed transactions by allowing someone else to make them.

Mr N didn't agree. He and the investigator discussed postal deliveries to Mr N's home. Mr N had previously said that the card and PIN had gone missing from his home. After the investigator's view, he told her that the neighbour he'd asked to check his post was elderly and didn't check daily; that his partner and his brother would have had access to his mail but they didn't know about the credit to the TSB account; that he'd asked Royal Mail to redeliver post to his brother's home while he was away; and that deliveries were left in a communal hall and not always delivered to his door.

Mr N also said that just because money was taken out a day after it was paid in, didn't mean the person taking it out knew money was in the account. He said the evidence clearly pointed to a third party and he and his household weren't around at the time, and anyone had access to his mail. He also said that neighbours had had parcels not delivered to their doors, or stolen by third parties and mail opened. Mr N asked for an ombudsman's 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 these circumstances there are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. So I've considered whether or not I think it's most likely that Mr N, or someone else, authorised the disputed payments.

Mr N said he couldn't have made the withdrawals because he never received any of the cards or PINs. He also told us about a bank account he held elsewhere. It's strange that he would have had his friend's large credit paid into his new TSB account, which he said was for the purchase of a large item, if he hadn't received any of the cards or PINs. Mr N told us that he didn't do internet or mobile banking. If Mr N didn't have the means of making withdrawals, I think it's reasonable to expect he'd have had the credit sent to his other bank account not to his TSB account. He replied to the investigator by saying that it was easier to get money out of TSB. But as Mr N intended to buy a large item, I think it's likely that he'd have waited till he had a way of withdrawing, before agreeing with his friend that the friend would send the £8,500 credit.

Mr N has also been inconsistent in what he's said about postal arrangements and the cards and PINs not arriving. Those would have come separately, in 6 envelopes and at different times. Mr N gave different versions to TSB and then to our investigator. And after so many failed attempts, I find it surprising that he didn't ask TSB if he could collect them another way, for example by attending a branch with identification. So I don't find it very credible that Mr N didn't receive any of the cards and PINs.

Whoever carried out the transactions must have known about the credit on the account, as the debits started the day after the large credit. The account had been open for a couple of months with a nil balance when the large credit was received, making it more unlikely that any fraudster would have known when to start withdrawals.

When a third party fraudster steals money, they normally take the maximum from the account as quickly as possible, before the thefts can be spotted and the account blocked. But here, the money was withdrawn gradually over a number of days, and there was still a balance of over £3,000 when Mr N raised the dispute. That's not typical of a fraudster.

I've also borne in mind that, as TSB pointed out in its final response letter, its CCTV taken when some of the branch withdrawals were made, showed a person who matched the photo identification provided by Mr N when he opened the account.

Taking these and other factors into account, I consider that the disputed withdrawals weren't carried out by a third party fraudster who had obtained cards and PINs which Mr N said he never received. I find that it's more likely than not that Mr N, or someone with his knowledge and authority on his behalf, carried out the disputed withdrawals. So I don't uphold this complaint and TSB does not have to refund Mr N.

Finally, TSB closed Mr N's account following its investigation. It was entitled to do this in the circumstances, under the terms and conditions of the account.

### **My final decision**

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 N to accept or reject my decision before 23 August 2023.

Belinda Knight  
**Ombudsman**