

The complaint

Mr K complains that TSB Bank plc ('TSB') won't refund transactions he says he didn't make or authorise.

What happened

What Mr K says

Mr K says that his business account at a different firm was blocked for reasons he wasn't aware of. As a result, Mr K moved funds from his business account to his TSB account. On 6 August 2022 the balance of Mr K's TSB account was just under a pound. After the transfers into the account the balance rose to nearly £45,000.

Mr K says he received a call purporting to be from TSB on 19 August 2022. At the time he thought it was genuine. He was asked whether he'd made certain transactions on his account outside of the area he lives. He says he was taken through security and asked to provide characters from his memorable information and had to provide them three or four times as he was told his answers were incorrect. Mr K says the caller told him his card would be cancelled and he'd receive a new one within five working days. After this call Mr K says he was unable to access internet banking, which he thought was normal in these circumstances.

Mr K didn't receive a new card and called TSB on 27 August 2022 to chase it up. He was told that a new card hadn't been ordered and TSB didn't call him on 19 August 2022. When Mr K regained access to his internet banking he noted transactions from his account that he didn't recognise that almost cleared his balance. A new mobile phone had also been registered to his account. Mr K raised a claim in respect of the following transactions from his TSB account to the account of someone with the same surname as Mr K but a different first name:

Date	Amount
22/08/22	£4,995
23/08/22	£5,150
23/08/22	£24,000
25/08/22	£11,000
26/08/22	£3,800
Total	£48,945

What TSB say

TSB held Mr K responsible for the disputed transactions. It said there was no point of compromise to his device, and it didn't see how a third party had access to the one-time passcode that was sent to Mr K's registered mobile device on 19 August 2022. The passcode was sent as part of the process to change the device registered to Mr K's account.

TSB apologised for the fact Mr K had to speak to multiple agents to raise a claim and sent him a cheque for £25 to compensate for this.

Our investigation so far

The investigator who considered this complaint didn't recommend that it be upheld. On balance, he felt Mr K authorised the transactions, so TSB acted reasonably in not refunding them. This was because there was no explanation for how a fraudster could have obtained the one-time passcode to register a new device and make the transactions. The investigator also questioned how a third party would have known the answers to security questions posed by TSB when some of the disputed transactions were made.

Mr K didn't accept the investigator's findings. He said scammers are able to buy personal information and that a scammer could have seen transfers from his business account on his statement and looked up what his company did.

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.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in light of the available evidence.

The relevant law surrounding authorisations are the Payment Service Regulations 2017 and the Consumer Credit Act 1974. The basic position is that TSB can hold Mr K liable for the disputed payments if the evidence suggests that it's more likely than not that he made or authorised them.

I'm sorry to disappoint Mr K but I have reached the same conclusion as the investigator and for broadly the same reasons.

There is no evidence to support a third party gaining access to Mr K's account to make the transactions he disputes. When a new device was registered on 19 August 2022 a one-time passcode was sent to Mr K's mobile number. A new device couldn't be registered without this code. Mr K says he didn't receive this number or pass it on, but I can't see how a new device was registered without his involvement. Personal information would also have been required to log into Mr K's account to make transfers. Mr K has said he hasn't shared this kind of information.

When the transactions on 22 and 23 August 2022 were made TSB blocked them and spoke to someone who said he was Mr K to release them. I've considered the calls on these dates and am not persuaded that a third party or someone acting without Mr K's authority would have been able to accurately answer all the security questions TSB asked. During the two calls the caller who asked for Mr K's account to be unblocked and for the disputed payments to be made was able to provide correct answers to questions like:

- Name
- Address
- Email address
- Debit card expiry date
- Employment and occupation
- How long Mr K had banked with TSB
- Whether statements were received in the post
- Location and device used when the payment was attempted

- Amount credited to the account on a specified date
- Amount spent at a specific garage
- Whether an overdraft was in place
- How the account was opened
- Mr K's phone network

I'm not satisfied an unknown third party making a payment without Mr K's consent and authority would know these details. Mr K has referred to the fact that some details TSB asked for are easy to find and that personal details are sold illegally. Whilst I accept this point, I'm not persuaded that an unknown third party could access all the information listed above. I also note that Mr K says that when he received the fake call from TSB he was asked for his memorable passcode and kept getting it wrong. The implication here is that the fraudster was able to pass security questions using this information. But Mr K's memorable passcode wasn't used during conversations with TSB's fraud department to release the payments. TSB asked for some characters and as Mr K got them wrong asked alternative security questions.

I've also listened to the call Mr K made to TSB on 27 August 2022 when he said he'd not received the new card he expected following the 'TSB' call the previous week. Whilst the caller sounds like Mr K, I'm not a voice expert so can't say whether this caller is the same person who spoke to TSB when transactions were blocked, so won't make a finding on this point.

I'm not persuaded that the pattern of spending on Mr K's account after his funds credited his TSB account is in line with what I'd expect of a fraudster. Fraudsters usually move as much money as they can as quickly as possible to avoid the possibility of a victim discovering a loss and reporting it before funds are moved on. This wasn't what happened here though. The disputed transactions were made over a period of five days. During this time, Mr K didn't log into his account and notice what was happening.

It's also unclear how a third party would have known that Mr K had credited his account with substantial funds. And whilst it could well be a coincidence, the payments from Mr K's TSB account were credited to the account of someone with the same initial and surname as Mr K.

Overall, I'm not persuaded on the available evidence that the transactions Mr K disputes were completed by a third party without his knowledge and so I can't reasonably ask TSB to refund them.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 2 November 2023.

Jay Hadfield
Ombudsman