

The complaint

Mr H complains that TSB Bank plc (TSB) is refusing to refund him the amount he lost as the result of a scam.

Mr H is being represented by a third party. To keep things simple, I will refer to Mr H throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr H was searching online for cryptocurrency investment when he came across the company Weston-Ridge (X). The website looked professional and interested in the opportunity Mr H paid an initial £500 start-up fee from an account the held at another bank.

Mr H then received an initial call from X asking about his goals. This call was followed by another call from X when the investment opportunity was explained in detail and Mr H was given the opportunity to ask any questions he had.

X was very persuasive and appeared to be a legitimate business. X explained it could get started once Mr H had provided the necessary identification documents which he did.

X then asked Mr H to download the remote access software AnyDesk from which X helped him to open an account with Revolut and Crypto wallets.

Mr H started to make payments as advised by X and could see he was making a reasonable profit. X explained that the more Mr H invested the more profits would be gained. Mr H continued to make further payments on X's advice.

Mr H then enquired about making increased profits and was told he would have to invest substantially more to work with more experienced traders. Encouraged by the success he appeared to be having Mr H continued to invest larger sums.

Mr H's investment continued to grow but when he attempted to make a withdrawal, he lost access to his trading account and communication with X stopped.

Mr H made the following payments in relation to the scam from his TSB account:

<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
7 January 2022	Revolut (Mr H)	Transfer	£350.00
7 January 2022	Revolut (Mr H)	Transfer	£10,000
8 January 2022	Revolut (Mr H)	Transfer	£5,000.00
9 January 2022	Revolut (Mr H)	Transfer	£5,000.00
11 January 2022	Revolut (Mr H)	Transfer	£3,000.00

18 January 2022	Revolut (Mr H)	Transfer	£10,000.00
18 January 2022	Revolut (Mr H)	Transfer	£10,000.00
18 January 2022	Revolut (Mr H)	Transfer	£5,000.00
19 January 2022	Revolut (Mr H)	Transfer	£10,000.00
19 January 2022	Revolut (Mr H)	Transfer	£5,000.00
19 January 2022	Revolut (Mr H)	Transfer	£5,000.00
19 January 2022	Revolut (Mr H)	Transfer	£5,000.00
20 January 2022	Revolut (Mr H)	Transfer	£5,000.00
21 January 2022	Revolut (Mr H)	Transfer	£15,000.00
21 January 2022	Revolut (Mr H)	Transfer	£500.00
21 January 2022	Revolut (Mr H)	Transfer	£9,500.00
22 January 2022	Revolut (Mr H)	Transfer	£9,500.00

Our Investigator consider Mr H's complaint but didn't think it should be upheld. Mr H disagreed, so this complaint has 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 has not been disputed that Mr H has fallen victim to a cruel scam. The evidence provided by both Mr H and TSB sets out what happened. What is in dispute is whether TSB should refund the money Mr H lost due to the scam.

Recovering the payments Mr H made

Mr H made the payments by transfer. When payments are made by transfer TSB has limited recovery options available to it. TSB can contact the operator of the recipient's account to request a refund of any funds that remain in that account. But Mr H made the payments to another account in his own name, so if any funds did remain in the account, they would remain within Mr H's control.

With the above in mind, I don't think TSB had any reasonable options available to it to recover the payments Mr H made.

Should TSB have reasonably prevented the payments Mr H made?

It has been accepted that Mr H authorised the payments that were made from his account with TSB, albeit on X's instruction. So, the starting point here is that Mr H is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether TSB should have been aware of the scam and stepped into question Mr H about the payments he was making. And if it had questioned Mr H, would it have been able to prevent the scam taking place.

I can see that TSB did step in when Mr H made the first payment in relation to the scam and a conversation between Mr H and TSB took place. I have now listened to a recording of the call.

During the call Mr H confirmed he was making a payment to a new account he had opened, that no one had opened the account for him, and that he had not allowed access to his any

of his devices to anyone but Microsoft.

The answers Mr H gave were not correct as he has told us when making his complaint that X had opened the Revolut account for him using remote access software.

It is unclear why Mr H gave dishonest answers during this call, and Mr H has said that TSB should have done more to protect him. But I think it's most likely Mr H would have continued to give TSB incorrect information had it stepped in when he made further payments in relation to the scam which would have made it difficult for TSB to uncover the scam that was taking place.

So, I don't think TSB missed an opportunity to prevent the scam and it is not responsible for Mr H's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 26 July 2024.

Terry Woodham
Ombudsman