

The complaint

Mr W complains that TSB Bank plc have unreasonably declined to refund him for direct debit payments he says he didn't make. He'd like the funds returned to him.

What happened

Mr W held a current account with TSB. In June 2023, he contacted them to say he'd seen a series of payments made to a lender that he didn't agree to. These payments took place between May 2019 and August 2020. He said he was ill in hospital at the time and hadn't agreed to these payments being made.

TSB investigated but declined to refund him. They said they had evidence to suggest the payments were genuine.

Unhappy with this answer Mr W referred his complaint to our service. One of our investigators looked into what happened but didn't think TSB needed to do anything further. They said the evidence suggested Mr W was aware of the direct debit payments at the time, otherwise he would have disputed them earlier than he did as we actively using his account at the time. They felt Mr W had likely agreed to the direct debit payments.

Mr W disagreed, so the 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.

Having done so, I'm minded that it's likely Mr W agreed to the payments at the time. I'll explain why:

- The direct debit was in a third party's name – but Mr W has also commented he's aware of who this third party is.
- The initial payment to the lender was made using Mr W's debit card in April 2019. From his statements it's clear the debit card was being used for day-to-day spending at the time. This suggests to me either Mr W or someone with his permission had his card at the time. There were no other transactions Mr W has disputed around this time, which makes it unlikely the card details were used by an unknown third party. There's no record of him reporting this card as lost.
- The money sent to the lender with the card payment is transferred in the days before, so that there were funds available. This suggests the payment was made by someone managing the account – either Mr W or someone he had allowed to do so.
- Similarly, there is money available to take the direct debits to the lender. This includes transferring funds in from Mr W's savings to manage the balance. This shows me whoever was managing the account was aware of the direct debit to the lender at the time.
- Mr W first reported these transactions in 2023, which is outside the usual cut off point of 13 months given in the relevant regulations and TSB's terms for disputing

transactions. But I accept from the evidence he's provided he has been unwell through this period. But we know Mr W was in touch with TSB in December 2021 about another issue to do with his account, but he didn't mention the direct debits. I may expect him to have done so, since he was already looking at issues to do with his account. This implies he didn't see an issue with these payments at the time.

- Mr W has also given us evidence from the lender that they don't have a record of him. When we contacted the lender, they confirmed the account was in a different name. But they also confirmed in March 2019 they'd spoken to someone who identified themselves as Mr W. They said they'd set up the loan on behalf of the account holder. They spoke to the same individual in April 2019 to add him as an authorised user on the loan. This could be someone pretending to be him – but I also note he's said he knows who the person who took out the loan is, and this is an issue between them. Which again, makes me think Mr W was aware of the loan.

Overall, I'm not persuaded these transactions were done entirely without Mr W's knowledge. It seems more likely that not he was aware of them at the time and had there been any issues I reasonably would have expected him to report them at the time.

I'm persuaded that the direct debits were agreed to either by Mr W, or someone who was managing the account on his behalf. In either of these scenarios there's no obligation on TSB to refund him for these transactions – much less because of the time between the transactions and him reporting them. On that basis I don't see it as unreasonable that they have declined to do so.

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 W to accept or reject my decision before 4 April 2024.

Thom Bennett
Ombudsman