

09:27 15 Apr 2019

TSB launches guarantee to refund victims of authorised payment fraud

TSB has launched a "fraud refund guarantee" to cover customers that fall victim to any financial scams, including those involving authorised payments.

The bank, which has around 5.2mln customers, said the guarantee would apply to losses incurred by its account holders from 14 April.

READ: TSB slumps to annual loss after spending £330mln on IT meltdown
At the moment, banking users can usually only claim money back if a fraudster takes it from their account without their knowledge.

If they have been tricked into authorising a transaction from their account to the fraudster, they are less likely to be repaid as they have approved the payment.

According to data from trade body UK Finance, this type of fraud, known as authorised push payment, cost around £354mln in 2018 and affected over 83,800 people.

However, under TSB's new guarantee customers would still be able to make a fraud claim under this type of scam, although the bank stressed that customers abusing the system by committing fraud on themselves or ignoring safety advice would not be reimbursed.

Richard Meddings, TSB's acting chief executive, told BBC Radio 5 Live that the new guarantee would offer "piece [sic] of mind to our customers".

"The vast majority of fraud claims across UK banking are from innocent victims of fraud who have been targeted by criminals and organised gangs. However, all too often these customers must fight to be refunded and are not treated as victims of crime".

The guarantee comes as the banking group tries to repair its reputation following an IT meltdown last year that left around 1.9mln customers without access to their accounts.

The debacle resulted in a £330mln hit to the group's profits, causing it to swing to a statutory loss before tax for 2018 of £105.4mln from a profit of £162.7mln in the prior year, as well as costing it 80,000 customers.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any

Share Information

Code: TSB

Listing: LSE

Sector: Banks

Website: www.lloydsbankinggroup.com

Author:
Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.