

The complaint

Mr M has complained that The Royal Bank of Scotland Plc (RBS) didn't stop a succession of payments to a gambling website.

What happened

Mr M said some family members made multiple payments, totalling £1159, to a gambling website in one evening. They were made from his computer and from his account with the merchant. He believes RBS is responsible for what happened. He said its secure banking promise states that all payments are checked for irregularities and that it will send a text message asking if a payment is genuine. However, RBS never checked with him if the payments were genuine. Also, he said the website didn't ask for the CVV number before taking payments from his account.

He asked RBS to admit that its secure banking promise is not fit for purpose.

RBS replied that it hadn't done anything wrong. It said the payments didn't flag as potentially fraudulent in its fraud detection system and this was possibly because the website was secured with a password and the payments were made from a trusted device. It also pointed out that the need for a CVV number was a decision for the merchant, not the bank.

Mr M wasn't happy with the bank's decision and so he brought his complaint to this service.

An investigator looked into his complaint, but he didn't uphold it. He didn't think RBS had failed to protect his account.

Mr M didn't accept the investigator's view. He said the payments were unusual for him because he'd only used this website for a week and the value of each payment was higher than other bets he'd placed in the past.

Mr M has asked for an ombudsman's final 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.

Mr M has made it clear that he's not complaining about whether the payments were authorised or not. He is only complaining about RBS's secure banking promise.

I'm afraid it's not my role as ombudsman to make a finding that the bank's fraud detection system is 'fit for purpose.' Businesses don't share the details of their security systems with this service for obvious reasons. These are commercially sensitive and protected data. And each bank will have its own system and triggers.

Having said that, I can assess whether RBS's actions or omissions were fair and reasonable in the circumstances.

Mr M said that RBS's security system should have been triggered by the 14 payments made in a short space of time, in quick succession and in multiples of £120 and £100 and £60. He said this was unusual for him and RBS should've sent him a text or one-time password asking him to confirm if the payments were genuine.

RBS said Mr M made regular payments to gambling websites. I can see that he did from his bank statements. Also, Mr M has confirmed that he used this account for bets. He'd used different websites in the past and, as he said, the stakes were usually for small amounts e.g. £10 or £20. However, I can see previous payments of £50, £75, £100 and £200 to another website.

Against this background, I don't think it's unreasonable that these payments didn't trigger the bank's fraud detection system or prompt an OTP. Although they were made in quick succession, they were consistent with his previous spending pattern and were not materially unusual in any other way. Moreover, this account was used for gambling. In addition, the payments were made to a website which was secured with a password, even though it was saved, and the bank said the payments were made from the same device (i.e. his computer) which had been used to make similar payments in the past.

In relation to the absence of the CVV number, this is a matter for the merchant. Besides, I understand the card details were stored on the website and didn't need re-entering. It's likely, therefore, that the card details were verified when the account was opened.

In these circumstances, I don't consider that RBS has made any errors or that it has acted unfairly or unreasonably.

I'm sorry this will be disappointing news for Mr M, but I hope the reasons for my decision are clear.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 December 2020.

Razia Karim
Ombudsman