

The complaint

Mr H complains that The Royal Bank of Scotland Plc won't refund a series of payments made on the same day to two different online gambling businesses. He says he neither made the payments himself nor authorised anyone else to do so.

What happened

In April 2019 some 23 payments were made online from Mr H's RBS account to two gambling businesses, which I'll call C and W respectively. In total more than £13,000 was transferred in one day. Some of that money had been transferred between Mr H's accounts with RBS.

Mr H contacted RBS. He said he didn't recognise the payments and that he hadn't made them or allowed anyone else to make them. Nobody else had access to his bank accounts.

RBS looked into what had happened. It contacted one of the gambling businesses, C. C said that its own records matched those that the bank held for Mr H; the account it held in Mr H's name had been set up on the same day the payments had been made. C didn't believe that the activity it had seen was fraudulent. The bank noted too that the payments appeared to have been made using Mr H's mobile phone and were linked to an IP address he had used previously. RBS was satisfied that Mr H had been responsible for the account activity and didn't agree to a refund.

Later - and after Mr H had referred his complaint to this service - W also responded to the bank's enquiries. It indicated too that the details it held matched those of Mr H - name, date of birth, address, email address and telephone number.

Both businesses said that they required contact details when setting up accounts and that they might use those details to contact customers for verification purposes. C said it did in fact contact Mr H's email to verify his identity.

RBS also said that, when Mr H contacted it about the payments, Mr H said that he hadn't used C, but also that he'd tried unsuccessfully to log into its website. It thought these two statements were inconsistent.

Mr H referred the matter to this service, and one of our investigators considered it. He concluded that the payments had been made using Mr H's card details and that whoever made them would also have needed access to Mr H's bank accounts, so they could arrange the transfers between his accounts and which funded the payments to C and to W. Since Mr H said he hadn't shared any of that information with anyone else, it was more likely than not that he had made the payments.

Mr H didn't accept the investigator's view and asked that an ombudsman review the case.

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. I have however reached broadly the same conclusions as the investigator did, and for similar reasons.

In my view, it's reasonable to assume that the same person was responsible for:

- the transfers between Mr H's bank accounts;
- the opening of the gambling accounts with C and with W;
- the payments made to C; and
- the payments made to W.

The transfers were made by someone who had access to Mr H's online banking details. He's said that nobody else knows what they are. He was, he says, at home all day when all the disputed transactions took place. The bank's records indicate that Mr H's mobile phone was used to make the transfers; Mr H says he had his mobile phone with him all day; he's explained too that it's protected by facial recognition and a password. It's very unlikely in my view that someone else could have used his phone without his consent.

The gambling accounts were opened using Mr H's personal details, including address, email and phone number. Those details are likely to have been known to a number of people, including no doubt friends and family. It would have been relatively easy too for a stranger to obtain them, had they wanted to do so. But, as the investigator noted, those details could also be used for verification purposes. Even if a third party knew those details, they would still have needed access to, for example, the email account or Mr H's mobile phone to verify them. Both businesses say they verified the accounts.

Whoever then made the payments to the gambling businesses would then have needed Mr H's card details, including the expiry date and CVV number. Again, that's information that can be obtained relatively easily by someone wishing to do so. But Mr H says he didn't share that information and he hasn't suggested his card was missing. His phone was used to access the accounts.

The electronic records here indicate that all the transactions were made from the same IP address, which is associated with Mr H's home. It's possible to disguise or hide an IP address, but I'm not persuaded that someone using Mr H's accounts did that here.

I note too that any winnings from the disputed transactions would have been paid back to Mr H, since his card was linked to the accounts with C and W. A fraudster would not therefore have been able to benefit financially from their actions. I don't regard that as conclusive, but neither is it irrelevant.

Mr H complained too about the way the case handler at RBS dealt with his concerns. Having listened to their discussion, however, I believe they acted appropriately and professionally. They contacted the gambling businesses to try and establish what had happened, as I'd expect them to do.

In the circumstances, I think it more likely than not that Mr H made the disputed transactions himself. It wouldn't be fair therefore to require the bank to refund them.

My final decision

My final decision is that I don't require The Royal Bank of Scotland Plc to do anything further to resolve Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 29 June 2020.

Mike Ingram
Ombudsman