

The complaint

Mr S complains that National Westminster Bank Plc won't refund disputed transactions made from his account. And he'd like a refund.

What happened

Mr S says that eight online card payments totalling £500 were made using his NatWest debit card to a gambling company, I'll call H, between the 29 February and 3 March 2020. He was also credited £30 in return from H.

Mr S explains that he's never carried out any transactions with H, but he's previously had a gambling account with a different provider.

Mr S contacted NatWest on the 3 March 2020 to query the disputed transactions. But on investigating NatWest concluded that Mr S most likely authorised them. The bank said that Mr S had two gambling accounts with H and they'd previously advised him about keeping his details safe.

Mr S didn't accept NatWest's response so complained to our service.

One of our investigator's looked into Mr S's complaint. Our investigator asked Mr S more details about how his card details could have been compromised – Mr S explains that on the day of the first disputed transaction he spent most of the day out with friends and his debit card was stored in a bag. He said it's possible they could have gained his card details this way – and also accessed to his mobile phone which didn't have any security on it.

On gathering more information our investigator didn't uphold Mr S's complaint. In summary he said that Mr S had two gambling accounts registered with H, on balance he thought Ms S had been notified about a declined transaction to H during the disputed transactions and he was surprised Mr S hadn't noticed the transactions sooner.

Ms S didn't accept our investigator's conclusion. He agreed that he couldn't explain why there were two accounts in his name at H or why the fraudster would have returned funds to his account. But he wanted a second opinion on the case, therefore it's been referred 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, my review of the evidence has led me to the same overall conclusions as the investigator previously set out and for much the same reasons.

Generally, NatWest can hold Mr S liable for the disputed transactions if the evidence suggests that it's more likely than not that he made or authorised them himself.

I'm satisfied from the bank's technical evidence that Mr S's genuine details were used to make the disputed transactions. But the regulations relevant to this case, the Payment Service Regulations 2017, say that is not, on its own, enough to enable NatWest to hold him liable. So I also need to think about whether the evidence suggests that it's more likely than not that Mr S consented to the transactions being made

I'm satisfied that there is a possible compromise for Mr S's long card number and his CVV code. Mr S has explained that his card was kept in his bag on the day of the first disputed transaction and I accept it's possible for his card details to have copied via this route. But from what I've seen, I don't think it's unreasonable for NatWest to conclude that Mr S authorised the transactions. This is because:

- I've seen evidence from H that Mr S had two gambling accounts with them. Both of these accounts match in a number of significant areas with the personal details Mr S has given this service. Including his address, date of birth and email address. On one of the two accounts Mr S's phone number is also the same. If a fraudster had opened both of these accounts I find it very unusual they'd use Mr S's actual contact details.
- Mr S's second account with H was opened on the 19 February 2020 but the first transaction to H is made on the 29 February 2020. If a fraudster had opened this account I wouldn't expect them to wait nine days before depositing using Mr S's card.
- I've seen evidence that to register an account with H a confirmation email is sent to the customer's inbox. This means it's highly likely that when Mr S's account was opened with H on the 19 February 2020 an email was sent to his inbox and his email address was confirmed.
- On the 29 February 2020 a transaction to H for £30 was declined. On the same day it's recorded in NatWest's contact notes that Mr S confirmed a transaction on that day to be genuine. According to Mr S's statement this is only transaction which takes place on the 29 February 2020 – and therefore on balance I think this is the transaction that was confirmed as genuine. For this be a fraudster they'd either need access to Mr H's phone to reply to the text message or know his security details to make phone contact with NatWest. Both scenarios seem unlikely.
- NatWest's online banking records show that Mr S logged on a number of times during the disputed transactions – including on the 29 February 2020. Mr S says he tried to make contact with NatWest to notify them about the disputed transactions on the 29 February 2020 – however there's no evidence of this. I find it odd he waited so long before notifying them about the transactions.
- Mr S explains that he normally accesses his online banking and online activity via his mobile network provider, I'll call V. The evidence from H indicates that some of the online gambling activity was carried out via V.
- During the disputed transactions Mr S received a £30 credit from H – I find it strange that a fraudster would withdraw funds to Mr S's account when there's no evidence they had access to his online banking or his debit card. I also find the overall disputed activity unusual, because a fraudster wouldn't stand to gain financially from these transactions.

Taking everything into account, I find, on balance, that Mr S authorised the disputed transactions. It follows that NatWest is entitled to hold him liable for them.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 December 2020.

Jeff Burch
Ombudsman