

The complaint

Mr H complains Vanquis Bank Limited hasn't refunded several payments made with his credit card which he says he didn't make or otherwise authorise.

What happened

The detailed background to this complaint is well known to both parties and so I'll only provide an overview of the key events here.

In the evening of 29 September 2020, several payments were made with Mr H's credit card. These were all online payments totalling around £850. All the payments went to a merchant who provides an online money transfer service.

Mr H reported the payments to Vanquis as unauthorised. He said these weren't made or otherwise authorised by him. He told Vanquis that his credit card and his mobile phone, which is only accessible by a passcode or fingerprint, was always in his possession. And at the time the disputed transactions took place he was at work doing a late shift.

Vanquis investigated and declined Mr H's claim. They said they didn't consider the transactions fraudulent because the payments were 'verified by Visa'; and One Time Passcodes (OTPs) were sent to the registered mobile number to verify some of the payments. Vanquis also said Mr H's mobile banking app was accessed multiple times around the time the transactions were taking place. And so, they've held Mr H liable for the disputed transactions.

Mr H complained about the outcome of his claim, he also said Vanquis' claim outcome letter had some errors in it. After looking into the complaint, Vanquis said they'd come to the correct decision and maintained their position to hold Mr H liable for the disputed transactions. Vanquis apologised for the errors in the letter and paid £25 compensation.

Mr H remained unhappy with the liability decision and brought his complaint to this service. An investigator looked into the complaint and didn't think it should be upheld. In summary, he concluded it's more likely than not the payments were authorised by Mr H and so Vanquis was entitled to hold him responsible for them.

Mr H didn't agree with the investigator's view and asked for an ombudsman's decision. He maintained his position that he was at work when the disputed transactions happened, and that he didn't make them nor receive or respond to any messages from Vanquis.

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've come to the same conclusion as our investigator, I know this will be disappointing for Mr H, so I'll explain why.

My role is to consider whether Vanquis acted fairly and reasonably in holding Mr H responsible for the disputed payments. Mr H says he didn't authorise the payments. If the payments weren't authorised by Mr H, Vanquis wouldn't generally be able to hold him liable for them.

Here, Vanquis have been able to show each payment was correctly authenticated using the correct details of Mr H's card. Based on this, I'm satisfied the payments were authenticated. But the regulations say this isn't enough, on its own, for Vanquis to hold Mr H liable for them. I also have to think about whether he consented to the payments being made.

To reach a conclusion on whether or not Mr H consented to the payments, I've carefully considered what he's said as well as the evidence Vanquis has provided. Having done so, on balance I think Mr H consented to and therefore authorised the payments, I'll explain why.

Mr H says he didn't receive or respond to any messages from Vanquis. However, the technical evidence shows most of the transactions were verified by additional security measures. After the first two transactions, the subsequent transactions were authorised by OTP codes. By this, I mean that prior to allowing the payments to be made, Vanquis sent an OTP via text message to the number they held on file for Mr H (which I note is the same number he provided to our service). The payments were completed by the OTP being entered on the merchant's website. There isn't a plausible explanation as to how somebody other than Mr H (or someone with his permission) was able to enter the codes onto the merchant's website as it would've required access to Mr H's mobile phone. Mr H says his phone was passcode/fingerprint protected and that it was in his possession at the relevant time. This would have been required in addition to knowing the details of Mr H's cards personalised security information in order to complete the payments.

Vanquis' records also show that on 29 September 2020, the mobile banking App was accessed between 8.57pm and 10.02pm. This was within the period of time that many of the disputed transactions took place. But Mr H didn't report the transactions until later – after the final disputed payment had been completed. I'm not persuaded that somebody else was able to access the mobile banking app at the time because it would've required access to Mr H's mobile phone and also knowledge of his mobile banking login details.

In addition to the above, the mobile phone device used to access the mobile banking app at the time of the disputed transactions is the same device used to access the mobile banking app before and after 29 September 2020.

With the above in mind, I'm more persuaded by the technical evidence and I think on balance Mr H more likely than not authorised the transactions he's disputed, and so it follows Vanquis is entitled to hold him liable for them.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 1 July 2021.

Richard Annandale
Ombudsman