

The complaint

Mr C complains that The Royal Bank of Scotland PLC won't refund disputed transactions which were carried out on his account. And he'd like these refunded. He's also unhappy that the bank restricted his access to benefit payments.

What happened

Mr C had an account with RBS.

In July 2020 Mr C received a telephone call from RBS asking him to confirm if he'd carried out a payment to a gambling website I'll call P. Mr C advised RBS he wasn't aware of this payment and he'd not made any of the recent online payments which had taken place on his account. The majority of these were via two gambling websites.

RBS investigated but decided not to refund the disputed transactions. In response they said:

- They'd contacted the two gambling websites, P and B and the details matched Mr C.
- They think it's likely Mr C carried out the disputed transactions.

Mr C wasn't happy with RBS's response so complained to our service. Initially he explained that he's not shared his personal account details with anyone else, and he's never had online accounts with P or B and he doesn't gamble.

One of our investigator's looked into Mr C's complaint. They asked Mr C further questions, where he provided slightly different answers to before. Mr C explained that on a high number of occasions his card had been compromised and on two occasions when ordering new cards his card didn't arrive – he'd raised concerns with the bank about this. And he thinks this might be how his account was compromised. On being asked about earlier online gambling transactions with P and B which took place between 2016 and 2020 Mr C also confirmed these were fraudulent.

Our investigator didn't uphold Mr C's complaint. In summary they found it surprising a fraudster would set up gambling accounts in Mr C's name. And on balance thought he most likely authorised the transactions. They also contacted RBS to make arrangements regarding the release of Mr C's benefit payments.

Mr C didn't accept our investigator's conclusion. And said:

- A friend of a friend could have carried them out.
- He doesn't have online gambling accounts with either provider – has either provider shown his identification?
- He didn't carry out the transactions.
- Why didn't the bank contact him during the unusual activity?

As Mr C didn't accept our investigator's conclusion it's been referred to me for a 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.

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, RBS can hold Mr C 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 C's genuine card details were used to make the disputed transactions. But the regulations relevant to this case say that is not, on its own, enough to enable RBS to hold him liable. So I also need to think about whether the evidence suggests that it's more likely than not that Mr C consented to the transactions being made.

From what I've seen, I don't think it's unreasonable for RBS to conclude that Mr C authorised the transactions. This is because:

- Most of the disputed transactions were made to online gambling sites with P and B. RBS have provided evidence that they've contacted both providers and both accounts are registered in Mr C's name – with the majority of the personal details matching. I find it unusual that the accounts were set up with the same contact details as Mr C.
- Between 2018 and 2020 Mr C was issued with a total of six debit cards for his account. For a fraudster to carry out the disputed transactions, starting in 2016, they'd need access to these cards. And I've not seen a plausible explanation for how this was possible without Mr C's knowledge.
- Both gambling accounts with P and B were set up in 2016 – I'd have expected, if a fraudster had set up these accounts, they spend more funds at a faster rate.
- It's unusual for a fraudster to carry out gambling transactions when gaining access to a victim's card details considering there's no opportunity for financial gain. I've also seen evidence of credits from the same gambling companies into Mr C's account and I'd question why a fraudster would do this.
- I find it surprising Mr C didn't notice the disputed transactions sooner, considering the first transactions were carried out in 2016.

Mr C responded to our investigator's view with a number of further points including why didn't RBS contact him considering the large and unusual nature of the transactions. I've considered Mr C's point here, but I'm firstly not satisfied the transactions were necessarily that unusual for Mr C – he's carried out previously undisputed activity to the same merchants. And secondly as I think on balance Mr C carried out the transactions *even if* I thought RBS should have contacted him I wouldn't be able to reasonably conclude the disputed transactions would have been prevented. And Mr C should be refunded. For this reason this doesn't change my assessment of Mr C's case.

For the reasons I've outlined above and taking everything into account, I find, on balance, that Mr C authorised the disputed transactions. It follows that RBS 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 C to accept or reject my decision before 7 June 2021.

Jeff Burch
Ombudsman