

The complaint

Miss P is complaining that AIB Group (UK) Plc won't refund transactions she didn't authorise.

What happened

The full details of this complaint are well known to both parties so I won't repeat them again here. Instead I'll recap the key points and focus on giving the reasons for my decision:

- On 28 January 2021, Miss P took a call from someone claiming to be from AIB. They said there had been suspicious transactions, and they needed to sort it out as her details had been compromised.
- They asked Miss P for information, including a seven-digit number from her card and codes she received from AIB by text. They said this would confirm she was the account holder and stop the fraud.
- That day, an online banking transfer for £1000 was made, with a further payment for £999 made the following morning.

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 agree with the conclusions reached by the investigator for these reasons:

- In line with the Payment Service Regulations 2017, Miss P isn't liable for payments she didn't authorise, unless she failed with gross negligence or intent to comply with the terms of the account or keep her personalised security details safe.
- It's agreed Miss P didn't authorise the transactions (or even realise they were being made at the time), because she didn't complete the agreed steps to make the payments. Instead, it seems the fraudster made the payments using information they convinced Miss P to share by falsely saying they needed to confirm she was the account holder and stop fraudulent transactions.
- I don't think Miss P failed with intent to keep her details safe – she genuinely believed what she was doing was necessary to protect the account.
- I'm also not satisfied Miss P failed with gross negligence. She had several missed calls from numbers that, when she checked online, appeared to be from her bank, AIB. So when they called again, I can see why she accepted the call.
- Miss P has explained how they said they were from AIB's financial crime unit, calling about suspicious transactions. They went through some recent payments, some of which Miss P didn't recognise.

- They also provided some personal information about her (something that could've been gained from a fraudulent website Miss P unknowingly used a short time before this happened). It's not clear whether they provided her 'customer registration number' at the outset, or later on as a result of things Miss P shared with them. But either way, I can see how the circumstances sounded plausible to Miss P and how she was convinced she was dealing with her genuine bank.
- To cancel the 'fraudulent payments', they asked Miss P for the seven-digit number on her debit card, reassuring her that she shouldn't share the long card number. She said she felt comfortable sharing this, as she didn't think there was a risk without the other account details. I can understand that – there's nothing obvious about it being a risky thing to share. And I'm mindful of how the caller had gone to lengths to gain Miss P's trust and had cleverly misdirected her by highlighting what she *shouldn't* share. It follows that I don't think she acted with significant carelessness here, to be able to say that she failed with gross negligence.
- Miss P was also asked for a code from her card reader. As it was broken, they asked for codes sent via text from AIB. AIB suggest she failed with gross negligence because she acknowledged the warning in the message not to share the code, even with bank staff.
- I've considered this carefully – and I can see how Miss P's actions have raised questions about why she took the steps she did. But gross negligence can't be proven by simply saying that she read the warning. It's more nuanced than that – and I must consider all the circumstances.
- She's explained how she was told the fraud team were different to other bank staff, so they could access things other staff couldn't. To prove their position, they provided her with details from her credit record, like other accounts she had.
- It seems Miss P was also placed under a lot of pressure. They explained how, without the code, they couldn't cancel the fraudulent transactions. They quoted 'FCA' regulations and said that if she didn't cooperate now, she wouldn't be able to recover the money later.
- I've also considered how the texts didn't alert Miss P to a payment was being made. Instead, they were described as a 'six digit code' or 'activation code'.
- In this context, I can see why Miss P was reassured enough that she was dealing with someone distinguished from 'Bank staff' and why, given the risks they'd presented about her losing money, she shared the codes. It follows that I don't think she *seriously* disregarded an *obvious* risk – to say that she failed with gross negligence.
- I acknowledge Miss P did show some signs of doubt throughout the call – hence the questions she asked, and her hesitation in providing some information. But the fact she was ultimately convinced doesn't mean she failed with gross negligence. Indeed, had she asked no questions, I think AIB would equally have raised concerns. Instead, I think what happened here highlights how particularly clever this scam was – it seems they'd detailed answers to all her questions and ultimately gave what I imagine felt like in the moment was a no-win situation.
- On this basis, I don't think Miss P's actions fell *so far below* what a reasonable

person would've done that it amounts to *gross* negligence. So I conclude that she isn't liable for the transactions and AIB need to put things right – by refunding her losses from these unauthorised transactions alongside interest to compensate her for the time she's been out of pocket.

- AIB should've refunded these transactions sooner – and that's meant she's worried about paying back friends and family money she had to borrow in the aftermath of the scam. So I also award £250 compensation to reflect Miss P's distress.

My final decision

For these reasons, my decision is to uphold Miss P's complaint and I order AIB Group (UK) Plc to:

- Pay Miss P the total of the unauthorised transactions (£1999), less any amount already returned.
- Pay 8% simple interest per year on this amount, from the date of the unauthorised transactions to the date of settlement (less any tax lawfully deductible).
- Pay £250 compensation for Miss P's distress.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 14 January 2022.

Emma Szkolar
Ombudsman