

The complaint

Mr B has complained TransferWise Ltd won't refund him for multiple transactions he says he didn't make.

What happened

On 8 January 2020, Mr B submitted disputes for 39 gambling transactions between 14 November 2019 and 3 January 2020. Mr B says a similar event occurred on his third-party bank account where payments were made to gambling merchants. Mr B told us that the third-party bank fully refunded him.

TransferWise says it believes Mr B authorised the disputed transactions, which is why it's held him liable for them. It also says it closed his accounts in line with the terms and conditions of the account.

Our investigator did not uphold the complaint. In summary she said she was persuaded Mr B authorised the transactions because:

- There's no point of compromise for the card details, the two devices used for the transactions or Mr B's TransferWise account login details.
- The spending on the account doesn't match a typical fraud pattern.
- Mr B's actions haven't presented as those of a genuine victim of fraud.

Mr B did not accept the investigator's findings. In summary he said:

- The sites are illegal gambling websites with an offshore identity.
- He is not blaming TransferWise at all and he doesn't hold TransferWise liable at all.
- He only wants TransferWise to start an arbitrary process against those illegal gambling websites because his other bank did, and he won his money back.
- TransferWise did do this for one transaction, so why can't they do the same for the others.
- He would like an explanation of why it closed his accounts.

As the case could not be resolved informally, it has been passed 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, I've reached the same conclusion as our investigator broadly for the same reasons.

I'm not going to cover all the points raised in detail. The view of 29 June 2021 covered the detailed timeline of the transactions and the details of Mr B's testimony. I'm aware that I've summarised this complaint in far less detail than Mr B has presented to us, but I have read

all of his submissions. I'm not responding to every single point made but instead I've concentrated on what I think are the key issues material to the outcome of his complaint. It's important to highlight that with cases like this I can't know for certain what has happened. So, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances.

When considering what is fair and reasonable, I'm also required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The Payment Services Regulations (PSRs) are the relevant rules here. These primarily require banks to refund customers if they didn't make or authorise payments themselves. So when we look at whether a bank has acted fairly in rejecting someone's fraud complaint, one of the things we consider is whether the customer made the transactions themselves or allowed them to be made. If they did, then we generally wouldn't ask the bank to refund them.

To help me decide what happened, I've looked at the evidence of the transactions, as well as what TransferWise and Mr B have told us. Having carefully considered everything that both sides have said and provided, I don't think it's unreasonable for TransferWise to conclude that Mr B authorised the transactions he disputes. I've explained why below: In this case, TransferWise has been able to provide evidence that the correct card details were used to authenticate all the payments. A second authentication method was used for 35 of the payments. TransferWise said that a customer can decline a payment through this second authentication method, if they receive a push notification for a payment they don't recognise. The four transactions that were completed without a second authentication method still required knowledge of Mr B's card details. TransferWise provided us with the electronic records which show the transactions were approved via the TransferWise account using Mr B's genuine devices and login details.

Based on this information, I'm satisfied that the payments from Mr B's account were authenticated. As I'm satisfied that the payments were authenticated, I then need to determine whether Mr B consented to the payments being made.

For me to consider that these transactions were completed by a third party, it would mean the individual needed to know Mr B's card details in order to make the card payments to the merchants. They would also need to gain access to either Mr B's mobile phone and laptop, both of which were password protected. Having accessed either of these devices, the third party would have needed to know Mr B's TransferWise login details to successfully authorise the payments.

Mr B told us his card has never been out of his possession, and he doesn't share these details with anyone. He lives alone, and no one else has access to either his mobile phone or laptop. He's said that no one knows the passwords to access these devices. He's also explained that no one else knows his login details for his TransferWise account and that no individual would be able to access his account other than him.

Even if I only rely on what Mr B has directly told us, he hasn't provided us with any plausible scenario whereby someone else, either known or unknown to him, could've gained access to his card, mobile phone or laptop to make the payments.

There are a number of other points which lead me to conclude it is more likely than not Mr B authorised these transactions.

- The pattern of the payments is inconsistent with that of an unknown fraudster with full access to Mr B's banking.
- There are large gaps, between disputed payments. More commonly a fraudster will try to take as much as they can, as quickly as possible, before they are discovered as any delay risks their access being blocked.
- The transactions were consistent with other (originally) undisputed activity on his account.
- Large payments are often transferred in from Mr B's other account with TransferWise immediately before the disputed transactions
- Mr B said his computer had been hacked at the end of November 2019 but no longer has any evidence available to show this was the case. If he previously had evidence that his computer had been hacked, I find it strange he has not kept hold of this in support of his claim.
- Mr B also explained that he was in hospital for a few months from 9 October 2019 when the disputed transactions occurred. So he says he didn't notice the transactions until 8 January 2020 when he reported the matter to TransferWise. However, Mr B was able to report a disputed transaction on his third-party bank account to the police on 5 December 2019, as well as make a number of undisputed transactions on the account during this period. This suggests that he wasn't incapable of making these transactions himself or logging in to his account due to being hospitalised.
- Mr B didn't report the 39 disputed transactions from his TransferWise account to the police. But he reported a transaction on his third-party bank account on 5 December 2019. I find it strange he didn't contact the police about the fraud in this case at the same time.
- Mr B says he didn't check his TransferWise account. However, I think it's unlikely that he wouldn't log in to his TransferWise accounts for a month, especially if he suspected his computer had been hacked and had had issues with his third-party bank account.

So, in reviewing all the evidence I think it's more likely than not Mr B made the transactions himself and it follows that I think Mr B authorised these payments. It would not be fair or reasonable for me to ask TransferWise to do anything further as I don't believe Mr B has been a victim of fraud.

I've also thought about whether TransferWise closed Mr B's account fairly, and I'm satisfied it did. TransferWise are regulated and must take certain actions in order to meet its legal and regulatory obligations. It is also required to carry out ongoing monitoring of new and existing relationships. Banks sometimes choose to end their relationship with customers. This can be due to a number of reasons – and a bank isn't obliged to give a reason to the customer. Just the same as if Mr B decided to stop banking with TransferWise, he wouldn't have to tell them why.

Whilst TransferWise are entitled to close a customer's account – it must do so in line with the Terms and Conditions. I've reviewed the Terms and Conditions and I'm satisfied that TransferWise acted fairly when closing Mr B's account without notice – so I can't say it acted

unreasonably. I've seen nothing to suggest TransferWise has made an unfair decision. So, I won't be asking it to do anything differently.

I appreciate Mr B says his other bank have refunded a transaction he disputed with it but that doesn't mean TransferWise should do the same.

I recognise how strongly Mr B feels about what's happened, so I realise Mr B will be disappointed by my decision. But overall, based on the evidence I've seen, I can't say TransferWise has acted unreasonably. So, I'm not going to ask TransferWise to do anything.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 August 2021.

Kathryn Milne
Ombudsman