

The complaint

Mr A complained because Lloyds Bank plc refused to refund him for a cash withdrawal where he said the machine didn't dispense the money.

What happened

On 7 November 2021. Mr A went to use a cash machine at a petrol station. He wanted to withdraw £160, and put his card in. He said the machine screen then displayed a message that there weren't sufficient funds and there was no cash available to dispense. The machine returned his card, and Mr A waited some time but neither cash nor a receipt was dispensed. As Mr A was returning to his car, another customer came out of the petrol station and told Mr A that the cash machine was playing up.

Mr A checked his account, which showed that £160 had been debited. He rang the number on the cash machine, where he was redirected to Lloyds.

Mr A had trouble getting through to Lloyds, being on hold and then being disconnected four times before getting through on the fifth attempt. The adviser gave Mr A a conditional £160 refund, pending investigation.

But on 16 December Lloyds re-debited the £160. In its final response to Mr A's complaint, it said that it had contacted the cash machine owner, and they'd provided proof to show that the transaction had been processed and successful. It said the machine log had shown that the cash was dispensed without error, and was taken from the machine. And it said the cash machine owner had also said that the machine had balanced, with all the transactions that had taken place.

Mr A wasn't satisfied and complained to this service.

Our investigator didn't uphold Mr A's complaint. He said that if the machine hadn't dispensed Mr A's money, the records of the machine would have evidenced that, and there would have been £160 more in the machine than there should have been.

Mr A didn't agree. He said no money had come out, and he was really unhappy with events and the outcome. He said he was sure CCTV would be available, unless it had been wiped. The investigator explained that there wouldn't be any CCTV, as the machine wasn't a Lloyds machine and no crime had been reported.

Mr A was still very unhappy. He said there was another person there who also said the machine wasn't working. He asked for an ombudsman's decision.

My provisional findings

I issued a provisional decision on this complaint. Before doing so, I considered all the available evidence and arguments to decide what would be fair and reasonable in the circumstances of this complaint.

I asked Lloyds for more technical information about the machine records here. In particular, I asked for:

- a copy of the confirmation evidence that the machine balanced;
- any confirmation from the machine owner that there had been no other reports of problems with the machine around 7 November 2021; and
- I noted that there had been some odd transactions on the cash machine record just before Mr A's attempted transaction. There were quite a few entries "*amount requested £0.*" And although these might be balance checks, there were also some really small amounts requested, such as £2.50, £2, £0.50 and £1.20. Cash machines don't dispense this sort of small sum. I asked Lloyds for its comments.

Lloyds sent some limited information in response.

There are regulations about payments, and here, what's relevant is Section 75 of the Payment Services Regulations 2017. This says that

*" 75.—(1) Where a payment service user—
(a)denies having authorised an executed payment transaction; or
(b)claims that a payment transaction has not been correctly executed,
it is for the payment service provider to prove that the payment transaction was authenticated, accurately recorded, entered in the payment service provider's accounts and not affected by a technical breakdown or some other deficiency in the service provided by the payment service provider."*

I considered Mr A's case in the light of what the Regulations say – which is that Lloyds, as the payment service provider, has to provide evidence of the matters quoted in the Regulations. While Lloyds provided some, limited, evidence here, in my view that wasn't enough to show that it's met the above standard. Much of what Lloyds relied on here was commentary from the cash machine provider, rather than objective evidence to demonstrate that the transaction was correctly carried out and recorded here.

So I then thought about what Mr A says about what happened here. He reported the issue quickly, as I'd expect someone with a genuine issue to have. And in his dealings with Lloyds he sounded clear and consistent about what happened here. I noted that he mentioned that someone said that there were issues with the machine on the day of the transactions. And some of the evidence here could be seen to bear that out - in particular the repeated attempts for small transactions that an ATM wouldn't be able to dispense.

Lloyds said that these attempts might have been made because there was no cost to a user doing so. But I didn't think that explanation was backed up with sufficient evidence though. It's an unusual anomaly in records like this, which suggested something unusual happening with (or to) the machine. So in the circumstances, I thought that on the basis I've explained, it would be fair and reasonable for Lloyds to refund Mr A the £160 in dispute here.

I explained that as with any provisional decision, both sides could provide additional arguments and evidence by the date stated. So the final decision might or might not be different from the provisional decision.

Responses to my provisional decision

Mr A set out again what had happened. He said he appreciated this service's efforts dealing with the matter but what he had said had been the honest truth, and he was disappointed both with Lloyds and the petrol station owner.

Lloyds accepted the provisional decision. It also agreed to pay interest on the disputed £160.

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 reconsidered all the available evidence and arguments, and in the light of the response to the provisional decision, I consider that my provisional decision was fair and reasonable.

My final decision

My final decision is that I uphold Mr A's complaint and I order Lloyds Bank plc to pay Mr A:

- £160 for the disputed cash machine transaction; and
- 8% interest on the £160 from the date of the transaction, 7 November 2021, to the date when Lloyds pays it to Mr A.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 June 2022.

Belinda Knight
Ombudsman