

The complaint

T raised a complaint that Advanced Payment Solutions Limited (trading as Cashplus) won't refund transactions it didn't make.

Mr C is the sole director for T, who I'll refer to throughout the decision.

What happened

- Mr C received a call from someone pretending to be from Cashplus. They told him there were three fraudulent transactions on T's account and they'd need one-time-passcodes sent by text to put the money back into the account.
- That day, three online card payments were made from T's account totalling £28,047.98. As they were international payments, T was also charged £450.02 in fees.
- Mr C contacted Cashplus to report the fraud. It declined to refund T, primarily because Mr C shared one-time-passcodes with the caller.

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 outcome as our investigator for these reasons:

- In line with the Payment Service Regulations 2017, T is not liable for payments that Mr C, as the sole director, didn't authorise. That's unless he failed with gross negligence or intent to comply with the terms of the account or keep T's personalised security details safe.
- It's agreed Mr C didn't authorise the transactions, because he didn't complete the agreed steps to make the payments. Instead it seems the fraudster already had T's card details and completed the card payments using one-time-passcodes they convinced Mr C to share by falsely saying there had been fraudulent transactions on T's account.
- I don't think Mr C failed with intent to keep T's details safe – he genuinely believed what he was doing was to sort out fraudulent transactions on T's account.
- I'm also not satisfied Mr C failed with gross negligence. He received the call from a private number. He's said lots of businesses who call him appear like this, so he didn't think it was unusual. He's mentioned they'd his CVV number too, so I can see how he trusted the caller.
- The caller asked him to share three one-time-passcodes they'd send by text to restore T's account after three fraudulent transactions had been taken. Mr C said he

felt concerned that someone had taken so much money and was anxious to sort it out. So he shared the codes.

- I've considered the content of the messages received, which Mr C shared with us: *"[XXXXXX] is your code to verify the payment [amount] EUR at [merchant] with card ending [XXXX]."*
- I note this doesn't contain a warning and the code comes first. So I can see how Mr C could've focused on this without taking in the rest of the message, particularly when he was anxious and acting in the heat of the moment. Either way, it strikes me that the language used – *"to verify the payment"* – means it's at least plausible this could be connected to receiving money back to the account.
- Cashplus say Mr C would've been familiar with how these messages are for making card payments. But most customers don't know how their banks deal with fraudulent transactions – so they wouldn't know that one-time-passcodes couldn't have more than one purpose. I'm also mindful that Mr C wasn't acting in the context of making card payments – he thought he was speaking with his genuine bank about fraud and wouldn't have known this was in fact a fraudster who already had T's card details.
- I've also reflected on how Mr C was primed to expect these codes from Cashplus. So when they came through as expected, I can understand how he would've felt reassured this was genuine.
- Cashplus has also raised that Mr C would've received warnings about scams from it and more generally in the media. But I'm not persuaded that failing to remember generic warnings means that he seriously disregarded an obvious risk. I note that Cashplus' own staff commented on how these scams are still commonplace and how they are increasingly more sophisticated and convincing.
- I've finally noted its point that as T is a limited company, it would expect more. But even considering this, I'm not persuaded that Mr C acted with very significant carelessness, for all the reasons I've explained.
- Taking this into account, I don't think Cashplus has shown that Mr C failed with gross negligence. So I conclude that T isn't liable for the transactions and Cashplus need to put things right – by refunding the total of the unauthorised transactions, less any amount already returned, alongside the fees in connection with them.
- Cashplus should've refunded these transactions much sooner. To reflect the time T has been out of pocket, I've also awarded 8% simple interest per year.

My final decision

For these reasons, my decision is to uphold T's complaint and I order Advanced Payment Solutions Limited to:

- Pay T the total of the unauthorised transactions, less any amount already returned, alongside the fees in connection with them.
- 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).

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 24 March 2023.

Emma Szkolar
Ombudsman