

## **The complaint**

A company, which I'll refer to as R, complains that Advanced Payment Solutions Limited (trading as Cashplus Bank) won't refund a payment it didn't make.

Mrs W, who is a director of R, brings the complaint on R's behalf.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my 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 outcome as the investigator for these reasons:

- Cashplus hasn't disputed this concerns an unauthorised payment. However, in line with the Payment Services Regulations 2017, it refused to refund it because it asserts Mrs W failed with gross negligence to comply with the terms of the account and keep R's personalised security details safe.
- Having considered the circumstances carefully, I'm not persuaded Cashplus has shown that's the case. I'll explain why.
- Mrs W received a call that appeared as Cashplus on her phone. The caller said they were from Cashplus's fraud team and took her through some security questions. So, given how the call appeared and the familiar processes, I can see why Mrs W trusted they were from R's genuine bank – I think lots of people would've done.
- Cashplus said Mrs W should've done more to verify the caller. But I'm mindful that most people don't go to lengths to verify their inbound calls from businesses – instead, people are more used to questions being asked of them. So I don't think this means that Mrs W acted with very significant carelessness compared to a reasonable person – to say that she failed with gross negligence.
- Mrs W recalled she was told someone had attempted to spend R's money, so they needed to reset the security details. As part of this, they asked her to forward an email she received from Cashplus.
- Cashplus submit she should've been concerned by this request – it points out that the email address she was asked to use wasn't Cashplus's. But I'm mindful that most people aren't familiar with their bank's fraud processes to question what's a legitimate request or not. I appreciate Cashplus has shared communications to warn its customers of scams. But I can understand how someone might not remember

these general messages in the heat of the moment – particularly if, like Mrs W, you've been made to feel panicked about keeping your money safe.

- And while the email address wasn't, of course, legitimately Cashplus's, I don't think it was looked so far-fetched that it was clearly unconnected. So, in the circumstances, I don't think Mrs W seriously disregarded an obvious risk – to conclude that she failed with gross negligence
- So, in line with the PSRs, I don't think R can be fairly held liable for this unauthorised payment and Cashplus need to put things right – by refunding the total of the unauthorised payment, alongside interest to compensate it for the time it's been out of pocket.
- Cashplus should've refunded this payment much sooner. Because it didn't, R has had the inconvenience of being without the money and having to pursue this for some time. So I also award £100 to reflect its non-financial losses.

### **My final decision**

For the reasons I've explained, I uphold R's complaint. Advanced Payment Solutions Limited must:

- Pay R the total of the unauthorised payment, less any amount recovered or refunded – I understand this to be £2,928.60.
- Pay 8% simple interest per year on this amount, from the date of the unauthorised payment to the date of settlement (less any tax lawfully deductible).
- Pay £100 for R's inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 18 May 2023.

Emma Szkolar  
**Ombudsman**