

The complaint

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

Mrs J, who is a director of Y, brings the complaint on Y'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 unauthorised payments. However, in line with the Payment Services Regulations 2017, it refused to refund them because it asserts Mrs J failed with gross negligence to comply with the terms of the account and keep Y'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 J received several missed calls that appeared to come from Cashplus. Given the persistence, Mrs J stopped work to answer the sixth call. She recalled they told her to check the text message they sent. This also appeared to come from Cashplus – it said someone would contact her about unauthorised activity. A further message referenced a payment that was being attempted and to confirm with the caller if Mrs J recognised it.
- Taking into account how the calls appeared, and how they coincided with what looked like a genuine Cashplus messages, I can see how Mrs J trusted the caller was from her bank. Cashplus say the number of calls should've been a red flag, as it wouldn't do this. But I wouldn't expect Mrs J to know how persistent her bank would genuinely be if there were signs of fraud. So I can see how she instead took the repeated calls to mean there was an urgent problem – I think lots of people would've done.
- Mrs J explains she was told to read out one-time-passcodes that she'd receive by text to cancel the fraudulent transactions. I can see this instruction was also confirmed by text message to her – again, this appeared to come from Cashplus.
- I've considered the content of these messages: "[XXXXXX] is your code to verify the payment [amount] at [merchant] with card ending [XXXX]." Cashplus submit it's very

clear it's to make a payment. In response, Mrs J said she didn't read these messages in full as she was focused on following the instructions of the caller.

- I've considered the circumstances carefully. I'm mindful that Mrs J was cleverly tricked into trusting the caller and was duped into a state of panic about the safety of Y's money. She'd also been primed to expect these messages, which then genuinely came from Cashplus – and I note the code appeared first in the message. Taking this all into account, I can see how Mrs J did as the caller asked and shared the codes. And I'm not persuaded her actions were very significantly careless compared to a reasonable person – to conclude that she failed with gross negligence.
- Finally, I've noted Cashplus's point that, as a business customer, it expected more due diligence. But, even accepting this, I'm not persuaded it should've been obvious to Mrs J this was a serious risk. In saying this, I've noted several of Cashplus's business customers has fallen victim to similar scams. This seems to be a result of the scam's sophistication and how it was seemingly planned to target Cashplus's customers, as opposed to Mrs J's gross negligence.
- So I conclude that Y isn't liable for these payments and Cashplus needs to put things right – by refunding Y's losses from these unauthorised payments.
- Cashplus should've refunded these much sooner. It seems that Y was placed under a lot of financial strain because of what happened, although it's not provided the specific details of this. So, in the circumstances, I think it's fair to also award 8% simple interest per year to compensate Y for the time it's been out of pocket.

My final decision

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

- Pay Y the total of the unauthorised payments, less any amount recovered or refunded – I understand this to be £11,534.99.
- Pay 8% simple interest per year on this amount, from the date of the unauthorised payments to the date of settlement (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Y to accept or reject my decision before 1 June 2023.

Emma Szkolar
Ombudsman