

The complaint

Mr C complains that Tesco Personal Finance PLC (trading as “Tesco Bank”) have failed to refund multiple transactions he says he didn’t authorise between July and September 2022.

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will 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 agree with the conclusions reached by the investigator and have decided not to uphold it

Having considered the facts before me as well as the relevant law, it seems to me that the key question I need to determine here is whether it is more likely than not that Mr C authorised the transactions. In other words, I need to decide whether Mr C made the transactions himself or gave someone permission to do so. This is important because a customer will usually be liable for payments they’ve authorised and, generally speaking, a bank will be liable for any unauthorised payments. In this instance, the disputed transactions were made online with Mr C’s Tesco Bank card through sites such as eBay and PayPal. And having considered the evidence, I’m satisfied the more likely explanation is that Mr C authorised the transactions. I’ll explain why.

The explanation and testimony Mr C has provided to this service about how he uses his card and how it might have come to be compromised has been relatively inconsistent and implausible. He says he clicked on a link within a phishing email, whereby he entered his name, address and card details. But that doesn’t explain how any potential fraudster would have been able to gain access to any PayPal or eBay accounts in his name in order to change his details and make purchases with his Tesco Bank card, as he has alleged. Mr C says he hasn’t shared his login details with anyone, and that only he known these details.

Both PayPal and eBay have also been unable to locate any accounts in Mr C’s name linked to the email addresses he has provided, and they’ve said it wouldn’t have been possible for anyone to have changed the name on the account without going through multiple security checks. I acknowledge he says the payments were made from a PayPal account under a different name, but there’s no plausible explanation for how his Tesco Bank card could have been added to a third-party account based on what he’s told this service.

In terms of the transactions the evidence also suggest that Mr C would likely been aware they were being made at the time. I note that he frequently logged into his account throughout the period of the disputed payments between July and September 2022. And given the considerable number of transactions he has said were unauthorised, it seems unlikely that he wouldn’t have noticed these being made at the time, particularly as some of them were almost draining his account of the funds he had recently deposited.

Mr C has also explained that he has made purchases for his family in the past, where they would send him a link and he would buy it for them. Mr C said that he did see the disputed transactions at the time, and just assumed they were purchases made by his family.

However, Mr C has also said that if his family wanted to buy something, he would receive a code from PayPal to his mobile phone which he would then authorise. In other words, his family were unable to buy anything themselves using his card without him knowing it. So, Mr C would've presumably been aware of any purchases he had or hadn't made on his family's behalf, which doesn't explain why he would've initially assumed the transactions were completed by his family if they weren't ever able to make purchases without his authorisation. And if it wasn't possible for a transaction to be made in this way without his authorisation, then it doesn't explain how an unknown third party would've been able to do this either.

I accept that Mr C had made purchases for his family in the past though. It therefore seems that the more plausible explanation for the disputed payments is that either Mr C authorised them himself or gave somebody else (such as his family) his details, thereby giving his consent and authority for the payments to be made on his behalf.

I appreciate that Mr C disputes this but there is no other more plausible explanation for how the payments could have otherwise been made. Indeed, I note that Mr C also retracted one of the disputed transactions he'd reported to Tesco Bank as it later transpired that his sister had made it. He also regularly topped up his account with funds on several occasions immediately prior to the disputed transactions being made, which would suggest he likely knew or was anticipating payments being made from his account.

As a result, there isn't enough evidence to suggest that a scam has taken place here, or that an unauthorised third party carried out the transactions without Mr C's knowledge or consent. So, I don't consider Tesco Bank has acted unfairly by declining to refund the disputed transactions, as I consider they were more likely than not to have been authorised by Mr C. I appreciate this will likely come as a disappointment to him, but I won't be asking Tesco Bank to take any further action.

Finally, Mr C was also unhappy that Tesco Bank didn't raise chargebacks for the disputed transactions. But given it's likely they were authorised by him, and because they were all made to legitimate merchants who would've likely shown the goods/services purchased were provided, it seems there would have been very little prospect of a chargeback succeeding. So, I don't consider Tesco Bank acted unfairly by choosing not to pursue such a claim for the payments he disputed.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 August 2023.

Jack Ferris
Ombudsman