

The complaint

Ms D complained because The Co-operative Bank plc refused to refund her for gambling transactions which she said she didn't authorise.

What happened

In July 2023, Ms D contacted the Co-op. She said there had been gambling transactions on her account which she hadn't authorised, over a long time.

The Co-op investigated, but it didn't agree that Ms D hadn't authorised the transactions. It said that the gambling firms had provided data that linked Ms D to the transactions which she'd claimed had been unauthorised. So it refused to refund her, and took back temporary credits which it had made for some of the disputed transactions.

Ms D wasn't satisfied and complained to this service. She said the gambling accounts hadn't been in her name, and that she didn't have money for food and utilities because the Co-op had refused to refund her. She said that the Co-op had said this was because the payments matched her details. Ms D said that all payments from her account after July 2019 needed to be paid back to her.

Our investigator didn't uphold Ms D's complaint. He said the Co-op had done nothing wrong in allowing the payments to be processed, and he couldn't reasonably expect the Co-op to refund Ms D.

Ms D didn't agree. She said she hadn't made the payments herself. Nor had she received a One Time Passcode (OTP) to authorise the payments. She said she'd contacted the Co-op as soon as she'd seen the payments on her account.

Ms D asked for an ombudsman's 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.

There are regulations which govern disputed transactions, and the relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. So I've considered whether it's more likely than not that Ms D authorised the gambling transactions herself.

I've seen the information provided to the Co-op by the gambling companies. The personal information on the gambling companies' accounts in Ms D's name match the personal details which Ms D provided to the Co-op and to this service. Ms D said that someone else had set up the gambling accounts in her name. But she hasn't explained how she thinks this can have happened. She hadn't reported her card lost or stolen, and I've seen nothing to

indicate that she told the Co-op, or this service, how her personal information might have been obtained by a third party.

Ms D has disputed transactions going back over a long period, back to 2019. Under the Payment Services Regulations, a customer must tell the payment service provider (here, the Co-op) about any dispute without undue delay, and in any event no later than 13 months after the debit date. So the Co-op doesn't have to consider any of the transactions which Ms D reported more than 13 months after they took place.

But Ms D's delay in reporting the disputed transactions also makes her version less convincing. I'm not persuaded by her argument that she only logged on to see her balance, and didn't notice any of the disputed transactions. Even if she'd initially logged on to see her balance, I think the number and amount of the transactions would have been immediately apparent. This is especially because the account balance was generally low, so the transactions would have been more obvious.

I've also seen that the IP address, a unique computer identifier, used for the transactions was the same as one which Ms D used for undisputed transactions. Ms D has said that someone else could have used her IP address. I'm not persuaded by this. If Ms D allowed someone else to use the exact location of her IP address, she'd also need to have given that person her security details in order to make the payments. If she did that, it would count as Ms D authorising the payments.

Some of the transactions also needed additional security to be completed – for example I've seen that OTPs, and memorable account information, were used to approve some of the transactions. I've checked the phone numbers, and the OTPs sent for disputed gambling transactions were the same as transactions which Ms D didn't dispute on her Co-op account.

Taking all these factors into account, I find that it's more likely than not that Ms D carried out the disputed transactions herself. So the Co-op doesn't have to refund her. If there are still any temporary credits on her account, it's also entitled to take these back.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 30 October 2023.

Belinda Knight
Ombudsman