

The complaint

X complains that Lloyds Bank PLC ('Lloyds') declined to refund him payments totalling over £12,000 which he says he did not make or otherwise authorise.

What happened

In January 2022 X engaged with a book publishing firm who were offering advertising deals which guaranteed a range of ratings on a well-known online book platform best seller list. Interested in their offering, X got in touch and spoke to their Senior Literary Adviser ('LA'). He wanted to pay for a marketing package which included republishing his book. The LA he was speaking with tried to sell him higher value sales packages, but he declined these and made notes of this in his logbook.

When he tried to make this payment for these services from his Lloyds account, he said he had great difficulty in getting the payment cleared. After numerous calls with no positive results, he explained that he made the payment for the package through an account held with another bank.

X said he worked with the company to get his book ready for re-publication, which was all very cooperative, amicable and professional. The re-print was completed and X said he was pleased with the results. During the process, the company had asked for his bank details, account numbers and email addresses on several occasions and to authorise their work through a document signing app. X said he refused to give details of his account, and never went through the processes on the app as he did not wish to share his details for security reasons.

In March 2020 he spoke to the LA again who gave him a series of suggestions for further marketing of his book and his story. Over a number of calls they suggested getting reviews in well-known literary magazines, media appearances and this culminated in the suggestion that a film should be made of Mr M's life and work. The LA even called him early one morning and told him there were investors interested in investing in the sales of his book. X said all of these suggestions were of no interest to him, so he rejected them all immediately. He said they never discussed costs, discussed any of these offerings further nor received any invoices. X said he assumed the matter was closed and never complied with any requests to share his bank account details, visa card details or any other relevant information.

In March 2022, three payments were debited from his Lloyds account as follows:

- March 24: £2,201.81
- March 25: £2,504.75 and
- March 30: £7,653.66

X said he never made or otherwise authorised these transactions.

X said he reported the matter to the company and to Lloyds. Lloyds looked into what had happened and said that they had tried to get further information from X through his registered email address, but had not been able to do so – and so they were declining his complaint. X was not happy with their response – he explained that he had spent a great deal of time contacting them via post, tracked courier delivery, and phone calls, but that he

had been unable to email them due to Lloyd's own procedures. In another response to Mr M, they said that they had been correct not to raise a chargeback as they were outside of the timeframe to raise one by the time X had asked them to do so.

X remained unhappy so he brought his complaint to our service. One of our investigators looked into what had happened and did not recommend Mr M's complaint should be upheld. This was because they did not think that anyone else could have accessed Mr M's card details to make the payments, so they thought that on balance it was most likely that X authorised the payments.

X was not satisfied with this answer. He said, in summary, that he:

- had not made the payments, or authorised anyone else to do so on his behalf;
- had disputed the transactions with Lloyds and the company when he became aware of them, and instructed them to do no further work relating to his book whilst the dispute was ongoing;
- may have given the company his bank or card details when he paid them for the original marketing package, and so given them the information needed for them to put these payments through. He later clarified in a second response that he was not sure how it was that the LA obtained the details of his Lloyds account, but she had called him to try and push more marketing opportunities on him the week before the payments started;
- had never received any invoices or agreed to pay them for anything after the first payment;
- had not completed the processes in the document signing app they had asked him to download;
- had concerns about the company around the time he made the payment from his other bank, as the amount he had agreed to pay had gone up when he received the invoice;
- was concerned that we had not mentioned the many hours of phone calls he had with Lloyds in the first half of 2022; and
- has received a lot of recent communication from the company, who tell him that his LA was terminated from the company.

Our investigator still did not think that it was most likely that these were unauthorised transactions, as the previous payment was made through another bank and would not have meant Mr M's Lloyds card details would have been shared with the company. They explained that X had told us that he had not shared his card details, that he had not lost his card, and that genuine transactions took place in-between the disputed ones.

As no agreement could be reached, the case has been passed to me to decide.

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 conclusion as our investigator for broadly the same reasons.

Generally, Lloyds can hold X liable for the disputed transactions if the evidence suggests that it is more likely than not that he authorised these payments or gave someone else consent to make them on his behalf. I am satisfied that the payments were properly authenticated – the technical evidence provided by Lloyds shows that Mr R's genuine card details including the CVV code were entered when the first payment was made online, and

then the details were used again to authenticate the second and third payments. But the regulations relevant to this case say that is not, on its own, enough to enable Lloyds to hold X liable. So, I need to think about whether the evidence suggests that it is more likely than not that X consented to these payments being made. Having done so, I think on balance it is more likely than not that X authorised these payments, or allowed someone else to do so on his behalf. I'll explain why.

- X has told our service that he did not give his card details to anyone, nor was his card lost or stolen. It appears his card was on him around the time the transactions took place as he made genuine transactions in between the disputed ones. Whilst X made a previous payment to the company, this was done through an account held with another bank. Even if it had been done through his Lloyds account, this would not give the company his card details or CVV code which were used in order to make these payments. So, if X did not give them his card details, nor access to any of his personal data or devices, I cannot see how the company or indeed anyone else, could have gained these details in order to make the payments.
- I appreciate X has given detailed accounts in his phone calls, letters and emails with Lloyds and this service which repeatedly explained that he had not authorised these payments, nor allowed anyone to do so on his behalf. But based on the evidence available to me, I do not think that it would be fair and reasonable to conclude on balance that someone else authorised these payments, such that Lloyds should be liable to refund them. In order to conclude that these payments were unauthorised and put through by a rogue LA or someone else at the company, I would have to conclude that they had somehow obtained his card details and there is nothing in Mr M's testimony or the surrounding evidence which leads me to conclude that they did.
- I have considered whether something else may have gone amiss – and I have not been able to rule this out as a possibility. Scammers can deploy clever means to trick people into handing over details or sending funds. By Mr M's own admission, he was vulnerable to such tactics around this time due to illness and medication. And given the pre-existing relationship with the company they could have attempted to trick him into making the payments. But X has remained adamant that he did not hand over his details or make these payments, and in the absence of further evidence of a scam, I am unable to consider a refund under relevant scam rules.

I am sorry as I know this will be a disappointment to Mr M. I wish to assure him that I do not mean to accuse him of lying to our service or to Lloyds. But based on the evidence available to me, I cannot fairly ask Lloyds to refund the disputed transactions.

My final decision

I do not uphold this complaint and will not be asking Lloyds to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 23 October 2024.

Katherine Jones
Ombudsman