

## **The complaint**

Mr R has complained Lloyds Bank PLC won't refund him for transactions he didn't authorise.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Between 18 May 2023 and 16 June 2023, Mr R's debit card details were used to make 32 payments totalling £59,221. The payments were made by phone to multiple companies over four to five weeks.

When Mr R contacted Lloyds to tell it he didn't authorise the payments he said he became aware of activity on his account when he accessed his online banking to authorise an unrelated transaction. He said he lost his debit card in April 2023, but he located it again and no transactions had left his account.

Lloyds refused to refund the payments and so Mr R complained about its decision not to refund the payments, the time it had taken to reach a decision about his claim and the service he'd received during the calls he had with it.

Lloyds didn't accept the payments had been made fraudulently. It said it was clear from the account activity that Mr R had clear links with the construction industry, and he was also registered as the director of a building company. It said he didn't log into his internet banking for the exact period the payments were being made, having logged in 149 times in the six months prior to the claim.

It said it had contacted some of the companies involved and had been provided with documents confirming they had dealings with Mr R, he was refurbishing commercial premises and had needed the items delivered to different addresses. It was also given voice recordings which matched its own records of Mr R's voice.

It didn't accept there were failings in the customer service Mr R had received, explaining it had listened to the recording of a call where Mr R had said the call handler was rude and patronising and the call handler remained calm and professional throughout despite Mr R swearing and making derogatory comments. He'd also suggested a different call handler didn't advise him about next steps, but the call showed this wasn't correct.

Mr R wasn't satisfied and so he complained to this service. He explained his debit card was kept in his wallet, no one else has access to it and the transactions were completed over the phone using his card details. He said the spending was out of character and he'd been around people in construction, which might explain why the disputed transactions were to merchants in that industry.

Lloyds further explained that it considered Mr R had authorised and/or performed the disputed transactions and there was insufficient evidence that they were made without his consent or authority. It said that between 1 May and 11 May 2023, Mr R logged into his

online account regularly from an iOS device using his password, but after that he didn't log into his online banking again until 20 June 2023. It commented it was unusual that he didn't access his online banking during the time of the disputed transactions and there was no plausible explanation for this. It further explained that Mr R had used his account for other regular spending between May 2023 and June 2023, including wallet pay or transactions where the physical debit card would need to be present with the PIN.

It reiterated that the disputed transactions all related to the construction industry, and it had been confirmed that Mr R was carrying out a refurbishment of commercial premises, which was consistent with the transactions.

Our investigator was satisfied Starling's decision to treat the disputed transactions as authorised was fair. She noted Mr R still had his card in his possession, no-one else had access to it and the statements showed genuine spending on the card during the period of the disputed transactions. And even though he'd lost his card in April 2023, the card used for the disputed transactions was the replacement card, so there was no point of compromise.

She noted the disputed transactions were all connected with the construction industry and that Mr R is a director of an active private limited company in the same industry. Voice biometrics had been used to confirm that it was Mr R's voice on the merchant's call recordings, and on the call dated 31 June 2023, his current home address was provided as the billing address for the purchase.

She further noted that the transactions weren't indicative of fraud as there was no direct financial gain and they were spread over a month. And Mr R didn't access his internet banking during the period the dispute transactions were made, which was unusual.

Mr R has asked for his complaint to be reviewed by an Ombudsman commenting that it's easy for fraudsters to give someone's card details and address over the phone. He has explained he is the director of a demolition company, whereas the disputed purchases were from catering and furniture companies, and he doesn't accept there was no financial gain because someone had benefitted from goods amounting to £59,000.

Mr R has further explained that he didn't access his internet banking during the period of the dispute transactions because he'd transferred funds to another account. He has also said that he wants the call recording to be sent for analysis because he doesn't accept its his voice.

### **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. And for largely the same reasons. I know Mr R feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

#### *Were the payments authorised?*

Authorisation has two limbs – authentication and consent. So, Lloyds needs to show the transactions were authenticated as well as showing Mr R consented to them.

#### *Authentication*

Authentication can be shown by the correct details and credentials being used to make the payments. Lloyds has been able to show Mr R's correct details were used – so I'm satisfied the transfer was authenticated.

### *Consent*

As a general rule it's reasonable for Lloyds to hold Mr R liable for transactions where the evidence suggests he authorised them.

Based on Mr R's own account, I'm satisfied there was no point of compromise for his debit card. Further he had used his account for other regular spending between May 2023 and June 2023, including transactions where the physical debit card would need to be present with the PIN. So, I'm satisfied he remained in possession of his bank card during the period of the disputed payments.

Mr R denies that he made the payments and has commented that it would have been easy for a fraudster to give his bank details and address to the merchants by phone, so I've gone on to consider whether this is what it likely to have happened.

The person who made the payments gave Mr R's name over the phone. The name and billing address on the invoices matched Mr R's home address, and the delivery addresses were either his home address or the commercial premises. This evidence is also supported by delivery notes, some of which feature photographic evidence of the deliveries.

The disputed transactions were mainly payments to merchants involved with building and catering supplies and took place over four to five weeks. Lloyds has produced evidence including emails and WhatsApp messages which support that the purchases related to the renovation of commercial premises, which is consistent with the nature of the purchases.

The payments were made using a PAYG phone which was unregistered, but Lloyds has produced evidence that the voice on the call recordings matches Mr R's voice. I've carefully considered this evidence and I'm satisfied, on balance, that it shows Mr R was the person who made the payments.

When he reported the disputed payments, Mr R suggested that he didn't know about the payments until he'd logged onto his online banking to authorise an unrelated payment. He has explained that he didn't need to log into his online banking because he had money available in a different account. Lloyds has pointed out that it's highly unusual that he didn't use his account for the period of the disputed payments, and I agree the fact he'd logged in 149 times in the six months prior to the claim means the behaviour is unusual.

Having carefully considered all the evidence, I'm satisfied that it's more likely than not that Mr R made the payments himself and therefore they were properly authorised. So, I can't fairly ask Lloyds to do anything further to settle this complaint.

### *Compensation*

I've listened to the call recordings, and I haven't seen any evidence that the customer service Mr R received fell below a reasonable standard, so he's not entitled to any compensation.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 8 July 2024.

Carolyn Bonnell  
**Ombudsman**