

## **The complaint**

Ms C complained because Santander UK PLC refused to refund her for three transactions which she said she hadn't made.

## **What happened**

On 11 October 2023, Ms C rang Santander. She said she didn't recognise three bank transfers from her account, which had debited her account just over a year earlier. The first had been made on 23 September 2022, the second on 25 September 2022, and the third on 27 September 2022. They had all been paid to the same recipient and were all for £500, making a total disputed amount of £1,500. Ms C said she didn't know anyone with the recipient's name, and from what she could remember, she hadn't responded to anything unusual. She said no-one else had access to her account.

Santander investigated, but it refused to refund Ms C. She complained, saying she felt the outcome was unfair, because she hadn't authorised the payments. She also wanted to know why Santander hadn't informed her or alerted her at the time the payments were made.

Santander didn't agree with Ms C's complaint. It explained that the disputed payments had been made on her own phone, which had been registered since 2019. And that phone had been used regularly by Ms C after the disputed payments, for banking activity that she hadn't raised as fraud. In Santander's final response letter, it said the reason was that there was no evidence that Ms C's registered phone had been compromised.

Ms C wasn't satisfied and contacted this service. She told our investigator that no-one she knew had access to her phone or her mobile banking details. She didn't keep any record of her phone or banking log in details. She also said that as far as she could remember, she hadn't clicked on any email link or text messages, and nor had she provided her details to anyone over the phone. The investigator asked Ms C about the fact she'd logged onto her online banking soon after the payments had been made. She asked Ms C why she hadn't reported them to Santander at the time. Ms C said she hadn't seen them at the time, and she used this account as a savings account. Ms C also said she believed Santander should have contacted her before allowing the money to leave her account.

Our investigator didn't uphold Ms C's complaint. She explained that the payments had been made using Ms C's registered phone, which had been used for undisputed transactions. She couldn't see how this had been compromised – in other words, how someone else could have accessed the phone and known Ms C's security details to access the phone or the banking app on it. The investigator also said that although Ms C had said Santander should have contacted her before allowing the payments, the payments had been authorised in-app. This had asked Ms C if she was sure she wanted to proceed, and had highlighted scam awareness.

Ms C didn't agree. She said she wasn't happy with the investigator's view, and believed that the investigator knew it had been a scam. The investigator explained what a scam is, and said that those circumstances weren't what Ms C had said had happened. Ms C 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. 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 what I need to consider is whether it's more likely than not that Ms C, or a third party fraudster, carried out the disputed transactions.

Ms C told our investigator she believed it had been a scam. A scam is where someone is tricked by a third party fraudster into authorising a payment, or disclosing details. But here, Ms C told Santander and our investigator that she hadn't carried out the online faster payments herself – so she couldn't have been tricked by a scammer into making them herself. And she also told Santander and our investigator that she hadn't clicked on any email or text links, or given anyone her details over the phone – so she couldn't have been tricked by a scammer into giving them her details. In view of this evidence, I can't conclude that Ms C was scammed in relation to these payments.

I've looked at the technical computer evidence to see whether I think it's more likely than not that Ms C, or a third party fraudster, carried out the disputed transactions. The technical evidence shows that the transactions were completed and authorised using Ms C's phone, which had been registered on her account since December 2019. That phone had also been used for numerous other payments from then onwards, which Ms C hadn't disputed. They'd been authorised using notifications on the app, so Ms C would have had to verify them before they were paid.

If these transactions had been carried out by a third party, that person would have had to obtain Ms C's phone without her knowledge, and return it to her afterwards, also without her knowledge. And any such third party would also have had to have known Ms C's security details for her phone and her Santander mobile banking app.

The disputed transactions were also carried out at an IP address (a unique computer identifier) which Ms C has used for undisputed transactions. And Ms C's online banking was accessed after each transaction. I recognise that Ms C said she didn't notice the transactions until a year later. But it's surprising that she wouldn't have noticed three £500 debits.

Ms C also said she thought Santander should have contacted her before allowing the payments to go out. However, the payments were authorised in the banking app, which did ask Ms C if she was sure she wanted to go ahead. So I don't consider Santander was required to do more.

I've also seen that the balance on Ms C's account at the time of the transactions was over £11,000. It's unlikely that any fraudster with access to someone's account would have left that amount of money in an account.

For all these reasons, I find that it's unlikely that it was a third party fraudster who carried out the disputed transactions. I find that it's more likely that Ms C authorised them herself.

## **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 C to accept or reject my decision before 30 April 2024.

Belinda Knight  
**Ombudsman**