

## **The complaint**

Mrs K complains that Sainsbury's Bank Plc ("Sainsbury's") failed to refund a transaction she didn't recognise.

## **What happened**

Mrs K reported to Sainsbury's that a payment had been made from her account that she didn't recognise. She explained that the account was rarely used and had been effectively dormant for about a year before the disputed payment was noticed.

This payment, for £65.06 was made to a merchant based abroad which Mrs K didn't recognise. Sainsbury's looked into the payment and in the meantime, provided a temporary refund to Mrs K.

Sainsbury's used a process called a "chargeback" which is a scheme run by the payment provider and enables transactions to be challenged. The merchant who took the payment responded to the chargeback request and provided evidence of the transaction, including shipping details.

Sainsbury's considered the evidence and decided they could no longer support a refund and advised Mrs K that they believed the transaction wasn't fraudulent and were removing the temporary refund.

Mrs K disagreed and asked for a review of her complaint by our service where an investigator considered evidence from both parties.

After reviewing that information, the investigator concluded that Sainsbury's had acted fairly and the evidence showed the payment had been made online using Mrs K's card details, her correct name, address and current telephone number as well as her email address. It was also commented that an "IP address" related to the location of devices used in the payment process was shown to be in the same region as Mrs K's home.

As Mrs K had confirmed no one else had access to her card (and it was rarely used), it was unlikely a fraudster had used it, particularly given the one small payment made from it. Neither Sainsbury's nor the investigator could determine how the details had been compromised.

Mrs K disagreed with the investigator's conclusions and asked for a further review of her complaint which has now been passed to me for a decision.

Mrs K added that she never received any item, nor could she determine what that item was because none of the paperwork (in the chargeback) described it. Mrs K had tried to contact the merchant without success which she believed was part of a scam.

## **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'm not upholding it. I'll explain why.

The regulations of particular relevance to this case are the Payment Service Regulations 2017. Broadly speaking, they set out the situations in which a customer will be responsible for transactions on their account and when the bank will be. Generally, when it can be shown a transaction was authorised by a customer, they will be responsible for it. That will include times when a customer has given permission to someone else to use their account.

My role is to consider whether Sainsbury's acted fairly and reasonably in holding Mrs K responsible for this transaction. In doing so I must consider whether it has sufficient evidence to show that she more likely than not authorised the spending.

As I wasn't present, I can't say for sure exactly what happened. So, I must consider the available evidence to me and use it to reach a conclusion on whether I think the bank's actions have been fair. This means I can't tell Mrs K how the transaction came to be made. Only why I believe it's fair and reasonable for Sainsbury's to hold her liable for it.

I've seen evidence from Sainsbury's which shows that Mrs K's card details, including the security 3-digit code was used to make the purchase. On it's own that's not enough to hold her liable for the transaction, but it does show that her genuine card details were used in the transaction.

Additionally, the order details held by the merchant included information personal to Mrs K, including her home address/mobile phone number and email address. When taking the location data indicated by the IP address, it seems less likely that a fraudster was responsible for the transaction. In order for a fraudster to carry out the transaction, they would have to obtain all these details, and either be in the same part of the country as Mrs K or alter the IP data. I accept that these things are possible, but I consider them unlikely here.

I did think that the lack of description of the item by the merchant was unusual, but it's not enough for me to say the transaction wasn't genuine. Accompanying the payment information was a shipping notice, which appears to be from a legitimate shipper and holds what looks like a genuine UK tracking code.

I've also thought about the account itself. At the time it had a fairly substantial credit allowance which was unspent. If this payment was made by someone with intent to steal from Mrs K, I'd normally expect payments to be made from the account until it exhausted the credit allowance or was blocked. That didn't happen here and the lack of other transactions or attempts to take money from the account don't support the contention that a third-party unknown to Mrs K was involved.

While I'm sure Mrs K will disagree with me, the evidence that I've considered leads me to the conclusion that, on the balance of probabilities, it was more likely than not that Mrs K authorised or allowed her card details to be used to make the payment. So, taking everything into account, I think it is fair and reasonable for Sainsbury's to hold Mrs K responsible for this transaction.

## **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 Mrs K to accept or reject my decision before 3 June 2025.

David Perry  
**Ombudsman**