

The complaint

Mr L holds/held an account with Bank of Scotland plc trading as Halifax (“Halifax”).

Mr L’s complaint is about Halifax’s refusal to reimburse him money he says he lost due to fraud.

What happened

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview of events.

Mr L says he has fallen victim to credit card fraud. In short, he says fraudsters used his Halifax credit card to make the following unauthorised payment transactions:

Payment Number	Date	Beneficiary/Merchant	Amount
1	18 June 2024	Jet2.com	£236.70
2	12 July 2024	Amazon	£69.02
3	15 July 2024	Amazon	£49.62
4	21 July 2024	Unitedo	£77.53
5	23 July 2024	Uber trip	£47.73
6	25 July 2024	Amazon	£30.95
7	25 July 2024	Clippers Systems Mobile	£3.89
8	26 July 2024	Amazon	£23.40
9	26 July 2024	Amazon	£22.31
10	26 July 2024	Amazon	£10.03

11	28 July 2024	Amazon	£4.28
12	29 July 2024	Amazon	£5.14
13	29 July 2024	Amazon	£11.72
14	31 July 2024	Spirit	£75.04
15	03 August 2024	Amazon	£8.67
16	11 August 2024	Uber trip	£44.09

Mr L disputed the above with Halifax. When Halifax refused to reimburse Mr L, he raised a complaint, which he also referred to our service.

One of our investigators considered the complaint and did not uphold it. As Mr L did not accept the investigator's findings, this matter has been passed to me to make a decision

What I have 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 find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under the rules I must observe, I am required to issue decisions quickly and with minimum formality.

Regulatory framework

The regulations which apply in this matter are the Payment Services Regulations 2017 ("the PSRs").

Authorisation

Under the PSRs, Halifax is required to refund any unauthorised payment transactions made from Mr L's account. Because Mr L is disputing the payments concerned, I must decide, on the balance of probabilities, whether they were in fact authorised.

The test for authorisation is twofold.

Authentication

Under the PSRs, Halifax must prove the disputed payment transactions were authenticated. That is, Halifax needs to provide technical information which shows that the transactions were made using Mr L's genuine card and security credentials – for example, the card's chip being engaged, correct PIN code entered, and correct card details used, etc. Having considered the technical information Halifax has provided, I am satisfied the disputed payment transactions were authenticated.

Consent

Turning now to the second part of authorisation, consent.

Below are three possible scenarios regarding consent:

- a) Mr L consented to the disputed payment transactions himself. That is, he used his credit card to make the disputed payment transactions.
- b) Mr L provided authority to a third-party to consent to the disputed payment transactions. That is, Mr L provided authority to a third-party to use his credit card to make the disputed payment transactions.
- c) A third-party, without Mr L's authority, gave consent to the payment transactions. That is, a third-party used Mr L's credit card to make the disputed payment transactions without his authority.

In scenarios (a) and (b), Mr L authorised the disputed payment transactions, so redress would not be available to him. In scenario (c), Mr L did not authorise the transactions, so redress could potentially be available.

Which scenario applies?

Mr L denies making the disputed transactions himself, and he has not said that he provided authority to a third-party to make them. Therefore, I have reflected on whether it is likely scenario (c) applies in this matter, rather than (a) and/or (b). Having done so, I am not persuaded that it does.

It appears that all the disputed transactions were made online. Therefore, a fraudster would have needed Mr L's physical card or, at the very least, his card details to make the payments.

Mr L says he normally keeps his credit card in his wallet.

I find it unlikely that a fraudster would have risked stealing Mr L's credit card from his wallet to make the disputed transactions, and then take a further risk by putting it back in Mr L's wallet. This behaviour is not typical of an opportunistic fraudster. It is much more likely in such cases that the card concerned would be disposed of after use. It is also not typical behaviour of a fraudster to not attempt to drain an account balance as quickly as possible before the card is blocked. This has not happened in this case – rather, the transactions occurred over several days. Further, I can see that genuine payments were made between the disputed ones. This would suggest that a fraudster would have had to weave in between stealing Mr L's card to make the disputed transactions, and then putting it back to avoid detection. Again, this is not typical behaviour of an opportunistic fraudster.

Mr L's physical card was not necessarily required to make the disputed transactions, as they

were all made online. Knowledge of Mr L's card details would have been sufficient to make the payments. Mr L has suggested that perhaps a fraudster hacked into his Amazon and/or Uber account to obtain his credit card details. I do not accept either proposition. I say this because Mr L has confirmed he does not have an Uber account; and that his credit card is not linked to his Amazon account. Mr L has also suggested that his card details may have been obtained online a different way. However, I have not been provided with any explanation or evidence to support this assertion, so I do not accept it.

In my view, the above are a combination of persuasive factors – that when taken as a whole, they suggest, on balance, that either scenario (a) or (b) occurred in this matter.

Compensation for distress and/or inconvenience

I note that Halifax only addressed one of the disputed payments in its final response letter to Mr B. I acknowledge this may have caused some distress and/or inconvenience. However, I have weighed this against the fact that the investigator reconciled this during their investigation and, more importantly, these additional payments did not impact the outcome that Halifax ultimately reached on Mr B's claim.

Therefore, I am not persuaded that an award for distress and/or inconvenience is justified here.

Conclusion

Taking all the above points together, I do not find that Halifax has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Halifax to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

My final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 25 April 2025.

Tony Massiah
Ombudsman