

## THE COMPLAINT

Mrs B holds/held an account with MBNA Limited ("MBNA").

Mrs B's complaint is about MBNA's refusal to reimburse her money she says she lost due to a scam.

## 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.

It appears Mrs B has fallen victim an investment scam linked to a recovery scam. She says fraudsters deceived her into making payments to what she thought was a legitimate investment – and thereafter, payments to try to recover her funds from the investment. The payments in question were all credit card transactions made using two MBNA cards. Card ending 1795:

Date	Beneficiary / Merchant	Amount
21 November 2022	PAYPAL *MatthewO...	£26.25
02 November 2022	PAYPAL *dkelley0110	£1,002.99
03 November 2022	PAYPAL *dkelley01110	£1,002.99
07 November 2022	PAYPAL *dkelley0110	£1,502.99
16 November 2022	PAYPAL *dkelley0110	£1,502.99
23 November 2022	PAYPAL *mary.m...	£502.99
03 December 2022	PAYPAL *Aland..	£402.99
22 November 2022	PAYPAL *xie...	£1,002.99

Card ending 7795:

Date	Beneficiary / Merchant	Amount
15 December 2022	PAYPAL *DustinK...	£502.99
14 April 2023	PAYPAL *JacquelineL...	£402.99
15 June 2023	PAYPAL *AlanC...	£148.89

Mrs B disputed the above with MBNA. When MBNA refused to reimburse Mrs B, she raised a complaint, which she also referred to our service.

One of our investigators considered the complaint and did not uphold it, which Mrs B rejected. As she 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 section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

### **Contingent Reimbursement Model (CRM) code**

The CRM code does not apply in this matter as Mrs B's payments were all credit card transactions.

### **Type of fraud**

Mrs B says her payments were not part of an investment scam, but part of an Authorised Push Payment (APP) fraud. To clarify, Mrs B's payments were all card transactions, so they cannot be classed as 'push payments' (i.e. payment transfers). That said, Mrs B's payments were authorised. Therefore, Mrs B's complaint will be considered, by and large, in the same way an APP fraud complaint would be.

### **Should MBNA have recognised that Mrs B was at risk of financial harm from fraud?**

It is not in dispute that Mrs B authorised the payment transactions in this matter. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory

requirements and good industry practice which suggest firms/banks – such as MBNA – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

I have borne the above in mind when considering the payment transactions in this matter.

I am not persuaded that any of Mrs B's payments were that unusual or out of character. I say this primarily given their values which were not significantly out of line with normal spending on Mrs B's account. Further, the payments were going to a legitimate and well-known platform, PayPal, which would have alleviated any serious concerns.

For these reasons, I would not have expected Mrs B's payments to have triggered MBNA's fraud detection systems.

That said, MBNA submits that one of Mrs B's £1,022.99 payments to PayPal \*dkelley0110 did flag an intervention – whereby Mrs B confirmed the transaction to be genuine and wanted to proceed with it. Even if it could be argued that the payments mentioned above should have prompted MBNA to intervene, it is likely Mrs B would have responded to such interventions in the same way she did regarding the £1,022.99 payment mentioned.

### **Recovery of funds**

I have considered whether MBNA could have done more to recover Mrs B's money under the chargeback scheme or section 75 of the Consumer Credit Act 1974. Mrs B's payments were made through PayPal's 'friends and family', which offers no buyer protection. Because of this, I am not persuaded that claims under the chargeback scheme or section 75 were likely to succeed. Therefore, I would not have expected MBNA to do anything further in terms of recovery.

### **Conclusion**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 8 July 2025.

Tony Massiah  
**Ombudsman**