

## **The complaint**

Mr K has complained that The Co-operative Bank Plc won't refund transactions he says he didn't make or otherwise authorise.

## **What happened**

Both sides are most familiar with the case, so I'll summarise things in brief.

In March 2023, Mr K contacted The Co-op and said that some recent gambling spending was unauthorised. Funds had been transferred from Mr K's account at another bank to his Co-op account, then spent on gambling accounts registered to Mr K. The profits went to Mr K. Mr K says he must have been hacked.

Our Investigator looked into things independently and didn't uphold the complaint. Mr K asked to escalate this to an ombudsman, so the complaint's been passed to me to decide.

## **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.

Broadly speaking, The Co-op can hold Mr K liable for the payments in dispute if the evidence suggests that he authorised them.

The disputed payments went to two gambling accounts in Mr K's name. One was definitely Mr K's, as he'd been using it since 2021. The other had been set up more recently but was most likely also Mr K's. It was created using his correct personal details, along with his genuine contact details – so all contact went to Mr K and he would've been aware of the account at the time. But he didn't tell the merchant anything was wrong at the time. It's not likely that he'd refrain from reporting things earlier if the account wasn't his.

The payments were made from Mr K's genuine IP address. This was the same IP address that he used for other genuine spending of his. I've not found any signs of unauthorised access or hacking. And from what Mr K told us, it's not likely or plausible that someone could've done this without his permission. For example, his device was at home, he didn't lose it, it was protected by a PIN, no one else had access to it, and he hadn't told anyone his security details or recorded them anywhere. In order to make these payments, someone would've needed to be using Mr K's device, on his internet connection, with full knowledge of all his various security details for his Co-op account, his account with the other bank, and his gambling accounts. I've not found any likely or plausible way that someone could've done all that without his consent here.

Further, a thief would've had no good reason to spend the money on Mr K's gambling accounts. All winnings were paid back to Mr K. The money was not sent to anyone else. It's exceptionally unlikely and implausible that a fraudster would go to such lengths to gain full access to all of Mr K's accounts, giving themselves the ability to transfer his money or spend it, just to play gambling games and give the profits to Mr K. They'd be putting themselves at substantial risk without any real benefit to them. The only person who stood to potentially benefit from this spending was Mr K.

The disputed spending was funded by credits from Mr K's account with another bank. Mr K says this wasn't him, but those credits were made around the same time as other genuine spending of Mr K's. For example, Mr K sent money to his Co-op account together with paying a family member. He'd also been paying cash into his account at the other bank to fund this activity. And he should've seen the activity at the time, including the transfers to his Co-op account. But again, he didn't report the matter at the time, he waited until after the spending had finished. It's not likely or plausible that he'd wait like that if the activity was unauthorised.

The merchants in question had records of how the funds were spent, and no suspicious usage was found. These were both gambling merchants which Mr K had used before this incident, and the activity was not out of character given Mr K's historic spending. Further, I might've expected a thief to try to take as much money as possible, but thousands of pounds were left available in Mr K's other account. So again, it doesn't seem likely or plausible that the disputed spending was unauthorised. It's more likely that it was genuine.

In summary, there's no likely or plausible way that these payments were made without Mr K's consent. They were funded by credits from Mr K's other account which were made together with his genuine spending. They went to gambling accounts which I'm reasonably satisfied were Mr K's. And the only person who reasonably stood to benefit from this spending was Mr K. As such, the only likely and plausible possibility I've found is that Mr K made the transactions or gave someone else permission to make them. This is a difficult message for me to give, and I know it's a difficult message for Mr K to receive. But given the evidence at hand, and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

So based on everything I've seen, I think it's fair for The Co-op to decline a refund in this case.

Finally, I understand that Mr K was unhappy with The Co-op's customer service, such as how they handled things on the phone. From the call recordings I've listened to, I think they handled things appropriately. There was a call recording missing, and The Co-op decided to give Mr K the benefit of the doubt and assume that they did give him bad service on that call. They've already paid him £60 compensation for the alleged customer service issues, which I think is more than fair in these circumstances. Mr K says he didn't receive it, but I can see on his statement that he received the £60 credit on 17 May 2023.

**My final decision**

For the reasons I've explained, I do not uphold Mr K's complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 10 March 2025.

Adam Charles  
**Ombudsman**