

## **The complaint**

Miss C complains that Modulr FS Limited (“Modulr”) is holding her responsible for transactions totalling £299.97 which she says she didn’t authorise.

## **What happened**

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, Miss C has said that in September 2024 three transactions, each for £99.99, together totalling £299.97, were debited from her account which she didn’t authorise. Miss C got in touch with Modulr but they couldn’t reach agreement about things, so Miss C referred her complaint about Modulr to us. As our Investigator couldn’t resolve the matter informally, the case has been passed to me for a 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.

Having done so, I’ve decided to not uphold this complaint for materially the same reasons as our Investigator.

Generally speaking, Modulr is required to refund any unauthorised payments from Miss C’s account, and Miss C should only be responsible for transactions made on her account that she authorised. Those rules are set out in The Payment Services Regulations 2017. Miss C has said that she didn’t authorise the disputed payments. So, I have to decide whether or not I think Miss C most likely did authorise them.

There are two parts to authorisation: authentication and consent. In terms of authentication, I’ve seen information that the disputed payments were made via Apple Pay; that is, in this case, by Miss C’s Modulr debit card being linked to Apple Pay, and the payments then being instructed through Apple Pay. I’m persuaded from the information that to link Miss C’s card to Apple Pay, not only were her card details needed, but also a one-time passcode (“OTP”). It isn’t in dispute that Miss C received the OTP that Modulr texted to her mobile number. Miss C also received a follow up text confirming her card had been linked to Apple Pay. So in this case, I’m persuaded that these disputed payments were authenticated via Apple Pay in circumstances where Miss C’s debit card had been added to Apple Pay using an OTP sent to Miss C’s mobile phone. There isn’t anything I’ve seen that persuades me the payments were authenticated in anyway other than this. In this regard, I note that the Investigator’s assessment contained a typographical error which may have made Miss C think a different number to hers was involved here, but this was a typographical error on the part of our Investigator, and the evidence here shows the texts were sent to Miss C’s number (and were received) and there’s nothing to suggest any other number was involved. However, this isn’t enough, on its own, to say the payments were authorised. To decide Miss C authorised the payments, I also need to be persuaded that she most likely consented to them.

But in this case, with regards to consent, I’m not persuaded that Miss C most likely didn’t

consent to these payments. This is because our Investigator asked Miss C if anything happened prior to receiving the texts about Apple Pay; and Miss C has said that she doesn't recall falling victim to any type of scam and that she hadn't been tricked into sharing the relevant information (prior to her card being linked to Apple Pay); she hadn't received any suspicious calls, texts or emails; she hadn't clicked on any links; and she hadn't entered her card details into any new or suspicious websites; and no one else had access to this information or her device. I understand Miss C also said she didn't share the OTP with anyone else, and that nothing happened in between receiving these texts. This means I can't see a point of compromise for both Miss C's card details and the OTP needed to link it to Apple Pay, nor any other plausible explanation as to how these payments out of Miss C's account likely could have been made by a third party without Miss C's knowledge and consent.

In deciding this, like our Investigator, I've also taken into account that Apple Pay was set up around six days before the disputed transactions. And as our Investigator explained, this wouldn't necessarily be typical of what we would expect to see. I've also thought about everything Miss C has said, including that she didn't have Apple Pay and that the police, she says, has said the disputed transactions were made from an IP address that isn't hers. But Miss C didn't need to have Apple Pay herself in order for her card to be linked to Apple Pay, and that wouldn't prove she didn't consent to it. Likewise, any IP addresses the transactions may or may not have been conducted from wouldn't prove that Miss C didn't know about things. And, for the reasons I've explained above, there isn't a plausible explanation here as to why I can fairly tell Modulr that it should have refunded the transactions on the basis that they were unauthorised.

I've thought about whether Modulr might reasonably have been expected to prevent the payments anyway, or to have been able to recover them. However, I haven't seen anything to persuade me Miss C was scammed here, nor do I think the payments ought to have looked concerning to Modulr to the extent whereby I would expect them to have intervened in them before they were sent. I also cannot see how a chargeback likely could have succeeded given that Miss C said they were unauthorised but overall the evidence doesn't support that's most likely correct.

Whilst I've thought carefully about everything Miss C has said, this means that I'm not persuaded Modulr has done anything wrong here. I'm satisfied from the evidence that Miss C, contrary to what she told us, likely did authorise these payments and that Modulr hasn't acted unfairly or unreasonably in the way it's dealt with Miss C's complaint, nor that it could fairly be held responsible for the loss Miss C has sought to claim for.

### **My final decision**

For the reasons explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 10 October 2025.

Neil Bridge  
**Ombudsman**