

The complaint

Mr M and Mrs A complain that Santander Bank Plc (Santander) refuse to refund a transaction on their account they did not consent to.

What happened

Mr M and Mrs A raised concerns when it came to their attention that £200 had been withdrawn from their joint account without their consent.

The transaction took place on 7 September 2024. And as a resolution they requested that Santander refund them.

Santander investigated but did not uphold the complaint. It said it could see no evidence of compromise.

As Mr M and Mrs A remained unhappy, their concerns were referred to this service for consideration.

Our Investigator reviewed everything presented but didn't recommend that Santander should refund Mr M and Mrs A for the disputed transaction. She couldn't see how the transaction was possible without consent.

As Mr M and Mrs A remained unhappy, the matter was 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.

Where there's a dispute about what happened, and the evidence is incomplete or contradictory, I must make my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence.

When considering what's fair and reasonable, I'm required to take into account relevant law and regulations; the regulator's rules, guidance and standards; the codes of practice; and, where relevant, what I consider good industry practice at the relevant time.

The relevant law relating to authorisations are the Payment Service Regulations 2017 (PSRs).

In broad terms a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the PSRs and the terms and conditions of the customer's account.

Generally, Santander can hold Mr M and Mrs A liable for the disputed transaction if the evidence suggests it's more likely than not that they made or authorised the transaction.

But the regulations relevant to this case say that authentication isn't, on its own, enough for Santander to hold them liable. I also need to think about whether the evidence suggests that Mr M or Mrs A, or someone acting with their authority, consented to the transaction being made.

To decide this, I've carefully considered what they have told us about happened. Along with considering all of the available evidence.

Mr M maintains that he did not process this payment, and nor does he recognise the recipient. But the technical data Santander has provided shows that Mr M's registered device (his phone) was used to make the payment that is in dispute. It also states that the IP address used had also been previously used to make genuine undisputed transactions.

Mr M confirmed that the phone was always in his possession, and he was at home recovering from an operation. He also states his account and online banking access was protected with a passcode - which varied from the passcode he used to access his device. And when asked, he clarified that these were not disclosed to any third party or written down anywhere, and nor had he received any unusual or suspect text messages or links.

I have given considerable thought to the possibility of a third party somehow accessing Mr M's device and making the payment in dispute, but having done so I can only conclude that even if it had been possible for Mr M's device to be intercepted, there is still the question as to how the third party could have bypassed the security on Mr M's device, and then again separately to get into the banking app which had its own level of security, without Mr M's authority.

Based on what we know, a third party would have been required to get hold of Mr M's phone, gain access to the device using a passcode, and then access the banking app using a different passcode, and then take the time to set up and verify a new payee, request the payment, and then return the phone. All without Mr M noticing. Whilst such a series of events wouldn't be impossible, it doesn't seem particularly likely.

What's more, it's also observed that, despite Mr M's account holding a considerable balance, whoever made the payment chose to only transfer £200. Whilst there is no 'typical fraudster,' the activity doesn't suggest that this was the behaviour of someone using and taking advantage of access to Mr M's account without his authority or consent.

I acknowledge that just because there's no obvious point of compromise, it doesn't mean Mr M or Mrs A made the payment. But here, given my observations, and based on what Mr M has said about not sharing his phone with any third party or his wife, it seems more likely than not that the payment was made by Mr M. That means I don't consider Santander has been unreasonable in holding him liable.

I recognise that Mr M and Mrs A will be disappointed with this outcome. But my role is to consider whether Santander are being unfair in not refunding the transaction that is in dispute. Having considered the evidence provided, on balance I'm persuaded that either Mr M, or someone who had his consent made this payment.

I also considered whether Mr M was mistaken that he'd not given access to his phone or banking app to anyone else. Because had he done so, it might have been possible for them to make the payment without him necessarily knowing about it. But even if that were the case here, it would still be fair and reasonable for Santander to hold him responsible for the payment.

In this case, the evidence suggests Mr M would have needed to be present for authentication to be satisfied, so I'm persuaded it's more likely than not that Mr M authorised this payment.

So, as I haven't seen anything to suggest that Santander has been unreasonable in holding Mr M and Mrs A liable for the disputed transaction, I won't be requiring it to take any further action.

My final decision

For the reasons provided, my final decision is that I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr M to accept or reject my decision before 14 August 2025.

Sukhdeep Judge
Ombudsman