

The complaint

Mrs J complains that Think Money Limited has declined to reimburse payments she says she didn't authorise.

What happened

In May 2024 Mrs J received a call from a scammer impersonating Think Money. They told Mrs J there was suspicious activity on her account – a new device was being added, and a payment was being attempted. Mrs J was persuaded to share her passcode and a one time passcode (OTP) believing this would help secure her account. Instead, the scammer was able to set up access to her account on a new device and make three transfers totalling £1,228.81.

Think Money declined to reimburse the payments on the basis that Mrs J had shared secure information and ignored its warnings. It said it had tried to recover her funds but this was unsuccessful.

When Mrs J referred her complaint to our service the investigator upheld it – in summary they didn't think she had authorised the payments or that Think Money could hold her liable on the basis that she had failed in her obligations with intent or gross negligence in the circumstances. They recommended a full refund plus interest to reflect the time Mrs J had been without her funds, and £100 compensation.

Think Money didn't agree, it said it provided Mrs J with warnings and that she should have done more to read these or contact it rather than just blocking her card. It also said that Mrs J's log in activity indicated that she had seen its notifications and she had time to act while the limitations were in place on the new device.

The investigator explained why they didn't think this changed the outcome they had reached. As an agreement couldn't be reached, the matter has been passed to me for consideration by an ombudsman.

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 reached the same conclusion as the investigator for similar reasons.

I'm sorry that Mrs J has been the victim of a scam. It's common ground that she was tricked into sharing secure information that enabled a scammer to access her account and make unauthorised transfers from her account.

Think Money has said Mrs J was negligent in sharing the secure information she did and that the following was needed by the scammer to set up access to her account on a new device:

- Mrs J's customer account number, date of birth and email address

- Mrs J's personal 6-digit passcode to enter the Think Money app.
- An OTP sent to Mrs J's registered mobile number.

The relevant law here is the Payment Services Regulations 2017. These set out situations in which Think Money can hold Mrs J liable for unauthorised transactions. Of relevance here is the obligation on Mrs J to *"take all reasonable steps to keep safe personalised security credentials relating to a payment instrument or an account information service"*. Under the PSRs, Think Money can hold Mrs J liable for the payments if they were made as a result of her failing in this obligation with gross negligence. This is reflected in the applicable terms and conditions of Mrs J's account.

When considering if Mrs J has failed in her obligations with gross negligence, the test isn't simply whether she was careless. For someone to fail with gross negligence they would need to have seriously disregarded an obvious risk, falling significantly below the standards expected of a reasonable person.

I've considered the circumstances in which Mrs J shared the information that she did – she's explained that the scammer knew her name, address and the last four digits of her card number, and this persuaded her that the caller was genuinely from Think Money. She was then told that her account was at risk and that she needed to share the OTP they were sending her to block a new device. Mrs J was also told that as her account was compromised, she needed to change her passcode and that her existing one was needed to do so. I think what Mrs J was told was plausible in the circumstances.

Given the nature of the information Mrs J shared, there is an argument to be made that she was negligent in doing so. But I don't think her actions amount to gross negligence in the circumstances. Unfortunately, scammers can utilise social engineering techniques to create a sense of panic and trick their victims into thinking they need to act to protect their funds. And it is in this context, believing she was speaking to Think Money, that Mrs J didn't read the full content of the OTP and shared this information and her passcode.

Think Money says that Mrs J had additional time after the scam call to reflect on it and the messages / notifications it sent her before the disputed payments took place. It says she should have done more to protect her account such as call it or text block to its number. Think Money has provided evidence of Mrs J's account activity including when she logged into her account and says this indicates she did see its messages. Even if this was the case, there is no evidence to support that Mrs J realised the call she'd had with the scammer wasn't genuine until after the payments were made. The lack of activity on her account may have actually reassured her. Importantly, any notifications Mrs J received after she had shared the secure information wouldn't be relevant to whether she acted with gross negligence at the time of sharing it. So, while I accept Mrs J could have done more to mitigate her losses, it doesn't mean that Think Money can reasonably hold Mrs J liable for the unauthorised payments as it is required to provide a refund under the PSRs.

For these reasons, Think Money should provide a full refund to Mrs J and pay her interest to reflect the time she's been without her funds.

Mrs J has described that as a result of not receiving a refund sooner, she experienced additional worry as it caused financial pressure and meant she was unable to take her family on holiday as planned. The investigator recommended Think Money pay Mrs J £100 compensation. I think this is fair in the circumstances based on what Mrs J has described.

My final decision

My final decision is that Think Money Limited should do the following:

1. Reimburse the three disputed payments to Mrs J.
2. Pay Mrs J simple interest on the amount in point 1 at a rate of 8% from the date of the payments to the date of settlement.
3. Pay Mrs J £100 compensation.

If Think Money Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs J how much it's taken off. It should also give Mrs J a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 6 March 2026.

Stephanie Mitchell
Ombudsman