

The complaint

Mr L complained because Lloyds Bank Plc refused to refund him for a cash withdrawal which he said he didn't make.

What happened

In the early evening of 30 July 2024, Mr L rang Lloyds to dispute a £600 cash machine withdrawal which had debited his account that day.

He said he still had his debit card, and hadn't let anyone else use it. He asked when the disputed withdrawal had been made. Lloyds told him it had taken place at 11.35 am. Mr L said this was within a minute of a genuine transaction he'd made at 11.36 am, which was a £24.70 transport payment. Mr L said this had taken place in a different part of the city. Lloyds refused to refund him, because there was no evidence of a compromise to Mr L's card or PIN, which had been used for the disputed cash withdrawal. It suggested he should contact the police.

Mr L complained, but Lloyds didn't uphold his complaint. In its final response, Lloyds said it had found no compromise to Mr L's debit card or his PIN, and no-one else had access to authorise the cash withdrawals. Lloyds said it couldn't refund him because it couldn't see how a third party could have taken the money. Lloyds noted that Mr L had said he'd reported it to the police, and confirmed it would co-operate with any police investigation.

Mr L wasn't satisfied and contacted this service.

Our investigator didn't uphold Mr L's complaint. She believed it was most likely that Mr L had authorised the disputed cash withdrawal. She explained that Mr L had provided transport screenshots in order to show he was elsewhere at the time of the disputed transaction. But Lloyds' technical evidence showed that Mr L's genuine card and PIN had been used. If Mr L hadn't made the withdrawal, someone else would have had to have access to his card and known his PIN, and in view of Mr L's evidence she couldn't see how this could have happened. She also pointed out that there had been no incorrect PIN attempts; no balance enquiries before the cash withdrawal; and no further withdrawals afterwards. So she considered Mr L had made the disputed withdrawal.

Mr L didn't agree. He said it was impossible for him to have used the card in two locations within a minute. He said he couldn't have used the card at one station and at the same time cash had been taken at a different part of the city. He said this was more than an hour's travel. Mr L asked for an ombudsman's 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.

What the Regulations say

There are Regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. So what I have to decide is whether it's more likely than not that Mr L, or a third party fraudster, carried out the disputed £600 cash withdrawal.

What the technical computer evidence shows

I've seen the technical computer information about the disputed cash withdrawal. This shows that it was made using Mr L's genuine card, with its unique chip, and correct PIN.

So I accept that the disputed transaction was made using Mr L's genuine card, which he confirmed was in his possession throughout. I don't consider that there was a cloned card involved. It's not generally thought possible to copy the chip on a card, and our service hasn't come across any cases where we felt this was a likely explanation of what happened. I haven't seen any evidence Mr L's card was cloned, and I accept that the payments were made using his original card, the same one he used for the other genuine payments around the same time. He told Lloyds he hadn't let anyone else use his card.

There are also 10,000 possible combinations of a four-digit PIN, so I don't consider any fraudster could have guessed Mr L's PIN. He said he hadn't disclosed his PIN to anyone.

So I can't see how any third party fraudster could have obtained Mr L's genuine card and known his correct PIN, to make the disputed payment.

What Mr L said about the timing of the payments

The disputed £600 cash withdrawal took place at 11.35 am. The computer records show that this was made at a machine in the city where Mr L lives. The undisputed withdrawal took place at 11.36 am. The computer records for this undisputed transaction give the merchant name as a major transport provider in the city where Mr L lives. It doesn't give any more information about where in the city the undisputed transaction took place. So it might have taken place very near the location for the £600 disputed cash withdrawal.

Mr L sent us a number of screenshots from a phone. He said these show that he was elsewhere at the time. But these screenshots have no identification, such as name, or phone number, or other identification, to show they relate to Mr L's activities. They include a confirmation that a season ticket for an unspecified amount was collected at a station in the city at 11.36 on 30 July, and a list of a number of bus journeys which includes five journeys on 30 July. But there is nothing to show that these are Mr L's activities.

So I'm not persuaded by Mr L's argument that he was in a different part of the city. I consider it's likely that the two transactions took place at nearby locations. This must have been the case, whoever carried them out. Both transactions were correctly authorised using Mr L's genuine card and correct PIN. And as Mr L himself argues, it wouldn't have been possible to have two transactions a minute apart if they'd actually taken place in different parts of a city.

I can't see how any third party fraudster could have obtained Mr L's genuine card, found out his PIN – and returned Mr L's card to him without him knowing, in less than a minute. Mr L's evidence is that he had his card throughout.

There are some other factors too. After the disputed and genuine withdrawals, there remained over £3,500 in Mr L's account. It's most unlikely that any third party fraudster would have left this amount in the account. They'd have carried on trying to make withdrawals to maximise their gain. The computer evidence shows this didn't happen.

For all these reasons, I consider it's most likely that Mr L carried out the disputed £600 cash withdrawal himself. So Lloyds doesn't have to refund him.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 13 June 2025.

Belinda Knight
Ombudsman