

The complaint

Miss D complains that The Royal Bank of Scotland Plc (RBS) has declined to refund disputed transactions that were made from her account.

What happened

Between 3 July and 13 August 2024, five disputed transactions totalling £13,700 debited Miss D's account. Three were faster payments, and two were made using her debit card information.

Miss D says she discovered the transactions in October 2024 and reported them as fraudulent to RBS and asked it to refund the money. But the bank didn't believe it was liable for her loss. However, it gave a partial refund of £8,400, which was the total amount of the faster payments. It later said this amount had been refunded in error, but as a goodwill gesture, it wouldn't re-debit the amount from Miss D's account.

Unhappy that £5,300 was still outstanding from the refund, Miss D raised a complaint. She was unhappy with the outcome of her fraud claim and the customer service she'd received from RBS. In response, the bank said:

- Its records show the device used to make the payments using Miss D's card information was her own.
- These payments were also verified using its app following a fraud alert.
- Its fraud team came to the conclusion either Miss D had made the payments or facilitated the use of her card to a third party to make the payments.
- It sent a replacement PIN to Miss D on 16 October 2024, and non-receipt would be as a result of an issue with the mail service.
- Its staff were kind and polite throughout its interactions with Miss D. But there was one call where Miss D made a comment about her health, but this wasn't addressed. It was sorry that this happened and paid Miss D £75 compensation to apologise.

Miss D then referred her complaint to this service where it was considered by one of our investigators. He didn't recommend that RBS do anything further, as he believed Miss D had most likely made the disputed transactions herself. And therefore, RBS didn't need to provide any refund. He also felt the £75 it had already paid for service failings was fair and reasonable.

Miss D didn't agree. She reiterated that she hadn't made the disputed transactions and felt our investigator hadn't considered sophisticated methods used by scammers that she believes led to the transactions being made. She also explained the impact RBS's handling of her claim had caused to her, and the impact on her health as well as her family circumstances.

As no agreement could be reached, the complaint has 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.

Having done so, I realise this will come as a huge disappointment to Miss D, but I've reached the same conclusions as our investigator, for broadly the same reasons.

The regulations relevant to this case say that generally speaking, a bank is entitled to hold a customer liable for authorised transactions, and the bank is liable for unauthorised ones. And I've taken that into account when deciding what is fair and reasonable in this case.

Miss D says she didn't make any of these disputed transactions. She's clearly of the belief that her account was targeted by fraudsters, who were able to access her account without her knowledge. But having considered all of the evidence available, I'm not satisfied this is the most likely explanation of what happened.

Firstly, I've seen no persuasive evidence to show that Miss D's device was subject to malware. I realise Miss D says remote access software just suddenly appeared on her phone despite not downloading it, but I don't consider that likely. And even if it did somehow just appear on her phone, there are many other reasons why I don't think her phone was targeted by fraudsters.

Before all the disputed transactions (both faster payments and card payments), money was moved from Miss D's ISA into her current account to facilitate the disputed transactions. Specifically, on 3 July 2024, £8,500 was deposited into her account, followed by the disputed transactions totalling £8,400 on the same day and following day. And then, on 19 July 2024 and 13 August 2024, £3,000 was moved from the same ISA to Miss D's current account on both days, again to facilitate the disputed card payments. No other disputed transactions occurred on the account, despite there being money available. Whilst there is no such thing as a 'typical fraudster,' if a third party had somehow gained access to Miss D's banking app, and/or her card details, I'd expect more transactions, or at least attempted ones, to have been made. But this didn't happen here.

As well as this, RBS has evidenced that Miss D's account was accessed online multiple times either on the same day (4 July 2024), or in-between the disputed transactions. For example, from the first disputed transaction made on 3rd July 2024, for the two weeks that followed, Miss D's account was accessed using her registered device on 7 separate occasions. The same pattern of activity continued throughout August and September, but Miss D didn't report the disputed transactions to the bank until 15 October 2024. I realise Miss D has said she doesn't monitor her account very often, which is why she didn't notice the transactions sooner, but this evidence clearly contradicts that. So, if this wasn't Miss D accessing her account, I'm satisfied it would need to be someone who not only had access to her phone, but the ability to access her banking app using the necessary security credentials too. And, I'm satisfied that the same device was used to make the disputed transactions as well as these log-ins to her account. Apart from saying her account was targeted by fraudsters, Miss D hasn't given us any explanation as to how someone other than her could've made these disputed transactions. And I've already explained why I don't believe her account was subject to malware or targeted by someone who hacked into her device. I realise RBS refunded the £8,400 to Miss D. It said this was a mistake, but wouldn't be taking the £8,400 back from Miss D. If RBS hadn't already refunded this amount, I wouldn't have required it to take that action. In the circumstances, I find it reasonable for RBS to treat all of the disputed transactions as authorised by Miss D and therefore hold her liable for them. I realise she's said she would've had no benefit from the transactions, but regardless, all the available evidence suggests that she authorised the transactions herself.

or permitted someone else to make them on her behalf. Therefore, I don't require RBS to refund the remaining £5,300 to her.

Miss D has questioned why RBS didn't suspend her account or contact her before the disputed transactions were processed. I appreciate why she's raised this point, as the transactions do appear to be out of character for her account. But having said that, I'm mindful that RBS would have seen the payments were made via Miss D's banking app/device, (thereby reducing some of the risks). And I'm also mindful that a firm can't reasonably be expected to intervene on all transactions that may be the result of fraud. There's a balance it needs to strike between identifying unusual payments and ensuring minimal disruption to legitimate ones. So whilst I appreciate Miss D's point, in the circumstances of this complaint, I don't think it was unreasonable for RBS to have processed these transactions without questioning her first.

Miss D has explained how the customer service she received from RBS exacerbated her mental health condition. I'd like to thank Miss D for being open about this. I fully appreciate this can't have been an easy time for her at all. I know she's unhappy she didn't receive a replacement PIN for her card and was embarrassed when it was declined when trying to use it. But I'm satisfied the bank sent the appropriate documents as it says it did. So I don't require it to pay compensation for Miss D's non-receipt of the PIN. And, by its very nature, being the victim of fraud causes distress and inconvenience. But I haven't seen anything to suggest the disputed transactions were made because of something RBS did wrong. So I can't fairly hold it responsible for Miss D's distress and inconvenience caused by the disputed transactions. Whilst I accept the bank could've responded to Miss D's comment about her health more sympathetically, I find the £75 it's already paid is fair and reasonable. And so, I don't require it to pay anything more to Miss D.

Overall, I don't see how any of the disputed transactions could've been made without involvement from Miss D. So, I find it was fair for RBS to treat them as authorised by Miss D. It follows that I don't require it to do anything further here.

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 Miss D to accept or reject my decision before 2 January 2026.

Lorna Wall
Ombudsman