

The complaint

Mr T complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) won't refund a £397.30 transaction which Mr T says he didn't authorise.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr T says that he didn't authorise the transaction on his account.

NatWest says that the transaction was made using an Apple Pay token that Mr T's had used previously and likely linked to his mobile phone. As Mr T says that he had the phone on his possession at the time the disputed transaction occurred they are persuaded that Mr T authorised the transaction.

The investigator concluded that NatWest had acted fairly by not refunding the amount disputed. As an agreement wasn't reached, this case has been passed to me for a final 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality. I'd like to assure both parties I've considered everything they have sent.

Having done so, I don't uphold this complaint.

Generally speaking, NatWest is required to refund any unauthorised payments made from Mr T's account, and Mr T should only be responsible for transactions made on his account that he has authorised. Those rules are set out in The Payment Services Regulations 2017. Mr T says he didn't authorise the £397.30 transaction, so I have to decide whether or not I think Mr T authorised the transaction.

As the investigator has said, it is impossible to say with certainty what happened. Our approach when looking into complaints is to weigh up the evidence provided by both sides and work out what's most likely to have happened. And if given that if NatWest has acted fairly, so within this complaint I will be focusing on whether NatWest fairly concluded that Mr T authorised the transaction.

NatWest's internal notes show that the transaction was completed using Apple Pay. When Apple Pay is set up on a device it has a unique token ID number. NatWest have provided their internal notes showing the unique token ID was set up in August 2023 (and was subsequently suspended following this disputed transaction).

NatWest's internal notes show that this unique Apple Pay token ID was used frequently by Mr T and in person at a store two days before the disputed transaction occurred. Mr T confirmed he only had Apple Pay set up on his mobile phone. So I'm persuaded that this Apple Pay token was linked to Mr T's mobile phone. Mr T has confirmed that his mobile phone was in his possession at the time of the transaction (on his bedside table) and he hasn't lost or misplaced his mobile phone. He has also confirmed that his device is password protected and nobody else has access to his password details.

Mr T's representative has said that given the time of the transaction and its size NatWest should have intervened further to verify the payment. The account statements for the year prior to the disputed transaction occurring show that Mr T had previously made payments of similar amounts from this account. Taking a step back, given that the manner in which the payment was authenticated I'm not persuaded that it is fair to say NatWest needed to intervene further to verify the payment.

I'm satisfied on balance, after reviewing the information, that I haven't been provided with a plausible explanation as to how anyone but Mr T could have authenticated the transaction. I'm persuaded that the disputed transaction was authenticated using Apple Pay on Mr T's mobile phone.

To decide if Mr T authorised the disputed transaction I not only need to be satisfied the transaction were authenticated (as I've said above, I think they were), but I also need to be persuaded Mr T consented to the transaction.

Below are the three possible scenarios regarding consent:

- a) Mr T consented to the disputed payment transaction himself.
- b) Mr T provided authority to a third-party to consent to the disputed payment transaction.
- c) A third party, without Mr T's authority, gave consent to the payment transaction.

In scenarios (a) and (b), Mr T authorised the disputed payment transaction, so redress would not be available to him. In scenario (c), Mr T did not authorise the transaction, so redress is potentially available.

Mr T denies making the transaction himself and hasn't said he provided authority for a third party to make the transaction on his behalf. I've thought carefully about what he's said, but I'm not persuaded scenario (c) is likely.

For a fraudster to have made the disputed payment transaction they would have needed to have access to the Apple token set up on Mr T's phone and would have needed to have known the additional credentials to access the phone. I haven't seen any plausible explanation for how a third party would have had access to both Mr T's phone and security credentials.

Given all of that, I think it's unlikely and I can't see how on balance this transaction was authorised without Mr T's consent. For these reasons I am not satisfied, on balance, that a third-party was responsible for the transaction.

I appreciate that Mr T will be disappointed. But for the reasons I've explained I'm not persuaded it was unreasonable for NatWest to treat this transaction as authorised and to therefore not refund them.

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 T to accept or reject my decision before 14 July 2025.

Sureeni Weerasinghe
Ombudsman