

The complaint

Mr P complained because Clydesdale Bank, trading as Virgin Money, refused to refund him for a transaction he said he hadn't authorised.

What happened

On 23 January 2025, Mr P contacted Virgin to dispute a £241.66 debit card payment which had debited his account. He said he hadn't authorised this.

Virgin cancelled his debit card, sent him a replacement, and investigated. On 27 January it rejected his claim for a refund. It said the disputed payment had been Strong Customer Authenticated (SCA) using Mr P's mobile app. It had been completed using Apple Pay on a genuine Apple wallet. The Apple Pay token had been activated on 1 May 2024, and Mr P had used it for undisputed spending since then.

Mr P didn't agree, and complained.

Virgin sent Mr P its final response to his complaint on 31 January. It said it had reviewed this, and could see that the correct processes were followed, and it believed that the fraud team's outcome was correct. The disputed payment had been completed on the genuine Apple Pay wallet. It had been flagged for authorisation, and it had been authorised in the mobile banking app on Mr P's regularly used device. So Virgin did not support Mr P's complaint.

Mr P wasn't satisfied and contacted this service.

Mr P said that his phone was bombarded with lots of notifications from his banking app, saying that £241 had been taken. He said most got blocked but one went through. He said he hadn't used the website to which the transaction went, and didn't know what it was, and it was fraudulent. Mr P also said that he hadn't approved the transaction on his phone, and if he'd seen a request he'd have rejected it. He said his phone and banking app were locked with Face ID and a passcode, and no-one else had access to his phone.

Our investigator didn't uphold Mr P's complaint. He said that to complete a payment using Apple Pay, access to the mobile phone is required. Mr P had said that his phone was protected with Face ID and passcode, and no-one else had access to his phone. He pointed out that there had been an undisputed payment at 19:45 the same day, also using Apple Pay. The disputed payment had been completed at 20:47.

The investigator also pointed out that after a card has been added to a device with Apple Pay, the digital card is referred to as a token. Mr P's token had been used over 200 times since August 2024 without any disputed payments, and it was used again for the disputed payment.

The investigator also noted that there had been other attempts to authorise a manual card payment for the same amount, to the same merchant, between 20:28 and 20:30 the same day. These hadn't been authorised by Mr P, but the payment was then requested using

Apple Pay and was authorised. The investigator said that as no-one else had access to Mr P's phone, only he could have authorised the payment.

Mr P didn't accept this. He said he didn't authorise the £241.66 payment. He said he'd never used the merchant it went to, had no account with them, and had received no goods or services or anything in return for the payment. He asked what he was supposed to have bought, and where was the thing he paid for?

Mr P also said he was concerned that there had been four attempted manual payments before, and said that if he'd genuinely been buying something, why would there be multiple failed payments first. He said that the fact that it was processed through Apple Pay didn't automatically mean he had authorised it. He said he hadn't received any request for approval. He said Virgin hadn't provided proof of how the transaction had been authorised, eg by Face ID, passcode or device ID.

The investigator replied that Virgin's investigation, and his, had been about whether Mr P had authorised the payment, not whether he'd received any goods. He provided Mr P with the device ID and the make and model of Mr P's phone which had been used for the transaction. He also said he'd seen evidence of this device logging in to Virgin's mobile banking service using fingerprint ID in November 2024 and January 2025. He explained that banks would only record the method of security when a customer was accessing their mobile banking services such as their app or secure website. Payments can only be authorised by Apple Pay if the phone's security had been met, which in Mr P's case had been biometrics or passcode – which Mr P had said no-one else had access to.

Mr P said he still didn't accept that the payment had been authorised by him, and he'd received nothing in return. He said that whether he'd used Apple Pay before didn't change the fact that this transaction wasn't his. He said the failed manual attempts before the charge; the lack of a product or service being received; and the fact that he had immediately raised this with Virgin all pointed to something not being right.

Mr P 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. The regulations also say that account holders can still be liable for unauthorised payments under certain circumstances – for example if they've failed to keep their details secure to such an extent that it can be termed "*gross negligence*."

There are different rules when a customer has been scammed (tricked) into making a payment themselves or giving away their secure information, but that's not what Mr P said happened here. It's also a different situation if someone has genuinely authorised payment for goods or services but not received what they've paid for, but that's not what Mr P said happened here either.

I recognise that Mr P has repeatedly said that he received no goods, services or anything in return for the payment. But that isn't what decides the outcome here. Following what the

Regulations say, what I have to decide is whether it's more likely than not that Mr P, or a third party fraudster, authorised the disputed payment. To decide this, I've looked at the technical computer evidence, and the circumstances, as well as what Mr P said.

Who is most likely to have authorised the disputed payment?

The technical computer evidence shows that the payment was authorised using the Apple Pay token which Mr P set up on Mr P's account on 1 May 2024. He used it for genuine transactions many times, and hadn't previously had a dispute.

The technical evidence also shows that the payment authorisation was carried out on the phone which was registered on Mr P's Virgin account as Mr P's phone.

Mr P's evidence is that his phone and banking app are locked with Face ID and a passcode, and no-one else has access to either his phone or debit card.

This makes it very difficult to see how any third party fraudster could have accessed Mr P's phone and banking app, which they'd have needed to do in order to make the transaction. And if Mr P allowed someone else, such as a family member or friend, to access his phone and banking app, that would count as Mr P authorising it.

I also note that there was an undisputed Apple Pay payment using Mr P's phone, just an hour earlier on the same day.

As I can't see how any third party could have accessed Mr P's phone, which was locked with biometrics and a passcode, I consider it's most likely that it was Mr P himself, or someone he allowed to access his phone and app, who authorised the disputed transaction. This means that Virgin doesn't have to refund him.

Mr P's other points

Finally, I'll deal with Mr P's other points. He said that there must have been something not right, because of the failed manual payments before the disputed transaction went through. The computer evidence does show four failed debit card manual payments immediately before the disputed one. Those happened in quick succession between 20:28 and 20:30, with the Apple Pay transaction going through at 20:47. They were all to the same merchant for the same amount.

I don't consider the four failed payments logically mean that the Apple Pay one which went through wasn't genuine. In fact, it's more likely that after the four failed attempts, the person wanting to make the payment to that merchant simply decided to try Apple Pay instead.

Mr P also commented that in Virgin's first letter rejecting his claim, it said the disputed payment took place on 24th, and later said it was 23rd. Payments don't always show on a statement on the date they take place, and I can see that Mr P's statement shows the disputed payment as 24th. However, I have seen the technical computer evidence which shows it went through at 20:47 on 23 January 2025. While this confusion is unfortunate, it doesn't change the outcome here. What matters is who authorised the payments. I can't see how any third party fraudster could have accessed Mr P's phone, used his biometric information to log in, known his passcode, and completed the Strong Customer Authentication to confirm the transaction. So I can only conclude that it was most likely that it was Mr P who authorised the disputed payment. This means Virgin 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 P to accept or reject my decision before 29 July 2025.

Belinda Knight
Ombudsman