

## **The complaint**

Mr S complains that Barclays Bank UK plc trading as Tesco Bank (Tesco Bank) won't refund a £60 transaction which Mr S says he didn't make. Mr S wants this amount refunded.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr S says that he was at work and in possession of his phone so didn't authorise the £60 transaction. Tesco Bank says that the transaction was made using Mr S's phone. As Mr S said that he had his phone in his possession Tesco Bank are persuaded that Mr S authorised the transaction.

Following receipt of additional information from Tesco Bank the investigator concluded that Tesco Bank had acted fairly by not refunding Mr S the £60 transaction. As Mr S disagrees this complaint has been passed to me for a 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.

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

Generally speaking, Tesco Bank is required to refund any unauthorised payments made from Mr S's account, and Mr S 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. As Mr S says he didn't authorise the £60 transaction, I need to decide if Tesco Bank fairly concluded that Mr S authorised the transaction.

Where there is a dispute about what happened, I have to base my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened given the evidence.

Tesco Bank's internal notes show that the disputed transaction was authenticated by contactless Apple Pay. Their internal notes also show that Mr S made numerous other contactless Apple Pay transactions which he isn't disputing. Mr S also told our service that his phone can only be accessed by "Apple Face ID" (facial biometrics) or a PIN that only he knows. Mr S also confirmed that he hasn't misplaced or lost his phone.

Because of the time that has passed, Tesco Bank can no longer provide internal records identifying the device used to complete the transaction. I've listened to a call between Tesco Bank and Mr S where the advisor refers to the phone as Mr S' first name followed by "iPhone" – which Mr S doesn't contradict. Tesco Bank's internal notes also say that when Mr S called it was discussed that "the device used to make the transaction was confirmed as [Mr S's first name] iPhone 12 Pro Max". And that Mr S confirmed that this phone was his. So while I ideally would have liked to have seen the internal notes (which are no longer

available), confirming the token was linked to Mr S's specific device, I'm persuaded on balance that the Apple token used to complete the transaction was linked to Mr S' phone.

Mr S has provided a screenshot which seems to show a purchase he made on the same day of the disputed transaction. He says that this shows he was in the office at the time the transaction happened. However, the screenshot doesn't show the time of the purchase, so it isn't enough to persuade me that Mr S was in his office while the disputed transaction occurred.

Mr S says the exact location where the transaction took place cannot be determined, and I agree that's likely the case here. The payment terminal's registered address might give some clue as to where the transaction took place, but as the registered address is often different from a payment terminal's location, I don't derive much assistance from the registered address alone to determine where the transaction actually took place. In any event, just because Tesco Bank cannot show where the transaction took place doesn't mean they don't have enough other evidence to determine the transaction was authorised. And for the reasons I'll expand on below I think the circumstances of the transactions combined with Tesco Bank's other evidence is enough to show the transaction was authorised.

Mr S has told our service he had his phone in his possession at work and that the only way his phone could be accessed is using facial ID or a PIN, and that nobody else has access to these credentials. So having possession of the phone wouldn't be enough, a potential fraudster would also need to have additional credentials (such as the PIN) to access Mr S's phone.

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

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

Below are the three possible scenarios regarding consent:

- a) Mr S consented to the disputed payment transactions himself.
- b) Mr S provided authority to a third-party to consent to the disputed payment transactions.
- c) A third party, without Mr S's authority, gave consent to the payment transaction.

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

Mr S denies making the transaction himself and hasn't said he provided authority for a third party to make the transactions on her 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 S's phone and would have needed to have known the additional credentials to access the phone. I've not been able to see any plausible explanation how a third party would have had access to both Mr S's phone and security credentials.

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

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

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 July 2025.

Sureeni Weerasinghe  
**Ombudsman**