

The complaint

Mr H is unhappy that MBNA Limited hasn't refunded him money he lost to what he believes was a scam. He thinks MBNA should have raised a chargeback.

What happened

The background to this complaint is well known to all parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around June 2024, Mr H said he met somebody, who I'll refer to as 'S', through a mutual friend. Mr H and S became friends and spent a number of months travelling and sharing accommodation.

During a conversation S told Mr H about how he was making money through betting accounts and asked Mr H if he wanted to be involved. Believing everything to be genuine, between 28 August 2024 and 30 August 2024, Mr H made five payments from his MBNA account, totalling £2,740, towards the betting scheme. The payments were made to a PayPal account, for a third-party, the details of which were given to Mr H by S. Mr H also made other payments, from accounts he held with other banking providers, but these don't form part of this complaint.

Mr H has said S didn't use the money for its intended purpose and that S manipulated him into sending money under false pretences. During this time Mr H also made a significant number of payments to S, from accounts he held elsewhere, which he says were genuine.

Mr H has said he started to become suspicious about S, when he was warned about him by others. Mr H raised the matter with MBNA, but it declined to refund him the money he lost. In summary, it said Mr H had authorised the payments and there were no chargeback rights for the payments he made.

Unhappy with MBNA's response, Mr H brought his complaint to this service. One of our Investigators looked into things but didn't think the complaint should be upheld. In summary, it was our Investigator's view that there wouldn't have been any prospects of a chargeback being successful. Alongside this, our Investigator didn't think MBNA missed an opportunity to identify that Mr H may have been at risk of financial harm.

Mr H disagreed with our Investigator's view. In summary, he maintained that MBNA should have attempted a chargeback, noting that another banking provider had done so and provided him with a refund.

As agreement couldn't be reached, the 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.

I'm mindful that, in his submissions to this service, Mr H has mentioned actions that other banking providers have taken in respect of reimbursing him. It is worth noting that the specific circumstances of payments can be different for each payment even if, on the face of it, they appear to be very similar – and just because another banking provider has given Mr H a refund, it doesn't automatically follow that MBNA would be liable to do the same. Here, as I'm required to do, I've looked at the individual circumstances of the transactions Mr H has made from his MBNA account.

I'm sorry to hear of what's happened to Mr H, and I can understand entirely why he feels so strongly that this money should be returned to him. But having thought very carefully about MBNA's actions, I think it did act fairly and reasonably in allowing the payments to leave his account. I'll explain why.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. It is the case that Mr H authorised the payment in dispute – and that's accepted by all parties. And under the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr H is responsible for the payments.

There are times when I might expect a bank to question a transaction or payment(s), even though it may have been properly authorised. Broadly speaking, firms (like MBNA) should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams.

In this case, I need to decide whether MBNA acted fairly and reasonably in its dealings with Mr H when he authorised the payment, or whether it should have done more than it did.

I've thought about this carefully. Having done so, I can't fairly say the payments Mr H made would (or should) have alerted MBNA that he was potentially at risk of financial harm, to an extent whereby it should have carried out some additional checks before processing the payments. So, I don't consider MBNA are liable for the loss Mr H incurred.

I have to be mindful that banks process a high volume of transfers and transactions each day. And a bank has to strike a balance as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests.

Here, I don't consider there is anything so unusual or remarkable about the payments or the amounts that ought to have alerted MBNA to the possibility of potential financial harm. While I appreciate it was a lot of money to Mr H, the amounts weren't so significant, either individually or collectively, to the point where I could reasonably have expected MBNA to carry out additional checks on them. As well as this the payments were going to a legitimate and well-known platform, PayPal, which would have also contributed to alleviating concerns.

I have considered whether MBNA could have done more to recover Mr H's money under the chargeback scheme or section 75 of the Consumer Credit Act 1974.

Payments for goods and services - where something goes wrong - which are made through a debit/credit card can sometimes be recovered through the chargeback scheme or section 75 of the Consumer Credit Act 1974.

As far as chargeback is concerned, it's a voluntary scheme and the rules are laid down by the card supplier. There are various rules which affect these sorts of transactions. And only if the card payment is made in accordance with these rules is a refund possible. We usually say to banks that we think it's good practice to try to make a chargeback claim if there is a

good reason to. But MBNA doesn't have to raise one, especially if there is little chance of success.

In this case Mr H authorised the payment's and selected these were 'friends and family payments', which offered no buyer protection under PayPal's terms. Because of this, I am not persuaded that claims under the chargeback scheme or section 75 were likely to succeed. Therefore, I would not have expected MBNA to do anything further in terms of recovery.

All things considered, I do not find that MBNA has done anything wrong in the circumstances of this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 November 2025.

Stephen Wise
Ombudsman