

The complaint

Mr E complains Santander UK PLC (“Santander”) refuses to refund him for unauthorised transactions on his account.

What happened

The facts of this case are well known to both parties, so I won’t repeat them in detail here.

In short, Mr E says he discovered two unauthorised transactions on his account when he checked his online banking in July 2024. He contacted Santander about it immediately and discovered there were two more unauthorised payments pending. So, there were four disputed payments on 16 and 17 July 2024, totalling £1900. Mr E says he didn’t make these payments and doesn’t know who did. He says he hasn’t shared his online details with anyone else and hasn’t given anyone any one-time passcodes (OTPs) he’s received.

Santander considered Mr E’s complaint and decided to hold him liable for the transactions as it was unable to identify how Mr E’s online banking had been compromised. It said the evidence shows Mr E’s mobile number was changed on his online banking, and as he says he has not shared his online banking login details with anyone, this must have been done by him. So, it didn’t refund any of the transactions.

Our investigator also considered this complaint alongside everything Mr E said and decided not to uphold it. Mr E wasn’t happy with this outcome, so the complaint 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.

I’d like to reassure both parties that although I’ve only given an overview of what happened, I’ve read and considered everything we’ve been provided in its entirety.

When considering what’s fair and reasonable, I’m required to take into account relevant law and regulations; the regulator’s rules, guidance and standards; the codes of practice; and, where relevant, what I consider good industry practice at the relevant time.

Where there’s a dispute about what happened, and the evidence is incomplete or contradictory, I must make my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence.

Generally speaking, Santander is required to refund any unauthorised payments made from Mr E’s account. Those rules are set out in the Payment Service Regulations 2017. Mr E has said he didn’t carry out the transactions in dispute, nor did he authorise anyone else to do so on his behalf. But Santander says it thinks Mr E did authorise these transactions, or shared security information which allowed someone else to do so. So, I have to give my view on whether I think Mr E should be held liable for the transactions or not.

Santander has provided evidence to show that the transactions were all card payments made using Mr E's card number online. So, whoever made the payments had Mr E's long card number, expiry date and CVV number. Mr E hadn't reported his card as lost or stolen at the time; but he had mentioned that he had recently done some online shopping. There is no clear point of compromise here for Mr E's card details, however, card details are so often used at various places and there are many ways in which someone else could've got hold of this information. Therefore, the use of Mr E's card details alone it's enough to say Mr E authorised these payments.

The evidence shows these transactions progressed through an additional verification step known as 3DS. This would've either been an approval in the online banking app, or via an OTP. The evidence provided by Santander isn't clear which method was used in this process, but it is clear that the transactions were subject to the 3Ds process. And in any event, it doesn't change my outcome either way.

As per the terms and conditions of the account it is the responsibility of the customer (Mr E) to keep their account security information safe, which includes their online banking login information. Mr E says he hasn't shared this with anyone else. He also says he hasn't written this down anywhere and all his devices are password or face ID protected. I've also seen that Santander asked him whether he had received any suspicious messages or emails or downloaded any new apps. Mr E said he hadn't. However, I have seen that the telephone number recorded on Mr E's account was changed via his online banking on 16 July 2024. And the evidence shows Mr E's login details were entered and an OTP was sent to his previous phone number in order to access the app to make this change.

While it is possible that a third party logged into his account to make this change (which then allowed them to make the disputed card payments), they would've needed Mr E's login information and the OTP sent to his phone number before being able to do this. There are instances where customers have been tricked into giving someone their details on the phone, perhaps while impersonating the bank. But Mr E hasn't told us this happened here. There are also instances where remote access software has been used on someone's device to access their account, but again an OTP needs to be shared with the other party to allow them access. Mr E has clearly told us he hasn't shared any OTPs.

Based on what I've seen I think there are three possible options here. One is that Mr E carried out the transactions himself. Another option is that he consented to the transactions by making his card and online banking details available to someone else. The third option is that Mr E was tricked into sharing his online banking details and an OTP with someone else who then used this to make the transactions in dispute.

In practical terms, it doesn't make any difference which of these three options happened here. That is because Mr E is liable whether he carried them out himself; or allowed someone else to do so; or was grossly negligent by sharing his online banking details with an unknown third party.

I know this outcome will come as a disappointment to Mr E, but for all the reasons outlined above I won't be asking Santander to refund the transactions in dispute.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 22 October 2025.

Sienna Mahboobani
Ombudsman