

The complaint

Mrs J complains that ICICI Bank UK Plc has declined to refund a transaction that was made from her account as a result of a scam.

What happened

On 18 April 2024, Mrs J received a text message that appeared to come from a delivery company asking her to pay a small fee. She followed the steps to make this payment but soon discovered that instead of the small fee, £870.12 had left her account.

Mrs J contacted ICICI Bank and informed it that she had been scammed and didn't want that payment to go out. As the payment had already been made, the bank carried out a fraud investigation but didn't think it was liable for Mrs J's loss. It also attempted to recover the money by way of chargeback, but this was unsuccessful.

Mrs J raised a complaint with ICICI Bank as she believed it had caused unnecessary delays, provided a lack of meaningful updates to the status of the chargeback request, and she raised concerns about the overall service she had received.

In response, the bank said:

- It was sorry that Mrs J was unhappy with the service it had provided.
- The fraud team found that as Mrs J had authorised the disputed transaction via a one-time passcode (OTP), the bank considered the transaction as authorised.
- This meant the chargeback attempt failed because the transaction was a 'Visa secure' transaction.
- It didn't believe it was fair or reasonable for the bank to be liable for Mrs J's loss, as it followed her instructions to process the transaction accordingly.

Mrs J then referred her complaint to this service where it was considered by one of our investigators. She didn't uphold Mrs J's complaint, as she also found that Mrs J had authorised the disputed transaction. And under the relevant regulations, ICICI Bank were not responsible to refund it. She also didn't believe the bank had provided poor customer service to Mrs J and had acted reasonably in its dealings with her.

Mrs J didn't agree with our investigator's findings. So the complaint has been passed to me to decide.

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 so, whilst I realise this will come as a disappointment to Mrs J, I've reached the same conclusions as our investigator, for broadly the same reasons.

Under the relevant law – the Payment Services Regulations 2017 (PSRs) – the starting point

is that Mrs J is liable for authorised payments and ICICI Bank is liable for unauthorised payments.

Where a payment is authorised, that will often be because the customer has made the payment themselves. But there are other circumstances where a payment should fairly be considered authorised, such as where the customer has given permission for someone else to make a payment on their behalf or they've told their payment service provider they want a payment to go ahead.

It's common ground that Mrs J was the victim of a scam. I was sorry to hear that this was the case and how it's impacted her financially. This can't have been an easy time for her. I know Mrs J feels very strongly that because she was the victim of a scam, she should get her £870.12 back. But being the victim of a scam doesn't mean the bank is automatically required to provide a refund. And in reaching this decision, I must consider what's fair to both Mrs J and ICICI Bank in the overall circumstances of the complaint.

It's important to note that for the purposes of whether a payment is authorised, it doesn't matter if Mrs J was deceived about the purpose or the amount of the payment – which I accept is what happened here. I realise Mrs J didn't intend to approve a transaction of £870.12, (she thought it was for £0.23). I appreciate this was under false pretences and that she was tricked into falling victim to a scam; but, by approving the £870.12 transaction in the way that she did, via the OTP sent to her phone number, I'm satisfied Mrs J authorised the disputed transaction.

Mrs J has kindly provided us a screen shot of the text message she received containing the OTP. This said:

'XXXXXX is OTP for CNY7604.17 txn at FFT*XXXXXXX on Debit Card XXXXXX. OTP's are SECRET. DO NOT disclose to anyone. ICICI Bank NEVER asks for OTP.'

I fully appreciate that Mrs J didn't notice the currency (CNY) or the amount listed in the OTP before approving the transaction. But nonetheless, I find ICICI Bank acted appropriately by processing the transaction believing it was authorised by Mrs J herself. And whilst the transaction was higher in value than her recent account activity, I don't find it was so unusual that ICICI Bank should've been concerned that Mrs J's account was being targeted for fraud, or should've contacted Mrs J before processing the transaction she'd just approved.

So as I consider that Mrs J authorised the disputed transaction, albeit under false pretences, it follows that I don't require ICICI Bank to refund the £870.12 to her.

Customer service issues

Mrs J has raised many concerns with the way ICICI Bank responded to her fraud claim. She says despite her immediate actions to report the fraud and request a reversal of the disputed transaction, the bank delayed raising a chargeback which she believes resulted in the failure to reverse the transaction. She's explained the impact this situation has had on her, and she believes ICICI Bank failed to meet its obligations under relevant banking regulations. As such, she's seeking compensation to cover the trouble and upset she experienced due to the bank's actions.

Having considered all communications between Mrs J and ICICI Bank, although I fully appreciate that Mrs J will disagree, I don't find it treated her unfairly. By its very nature, being the victim of fraud causes distress and inconvenience. But I haven't seen anything to suggest the disputed transaction was because of something ICICI Bank did wrong. So I can't fairly hold it responsible for Mrs J's distress and inconvenience caused by the disputed

transaction. Whilst I appreciate the bank didn't raise a chargeback straight away, the delay wouldn't have had any impact on the outcome as Mrs J believes. As under the card scheme, there is a window of 120 days for a chargeback to be raised.

Whilst our service considers it best practice for a bank to raise a chargeback in an attempt to recover disputed amounts from a merchant directly, we'd only expect a chargeback to be raised if there was reasonable chance of success. Here, in view of the way the transaction was approved (via the OTP), it seems the chargeback was unlikely to succeed from the outset. Whilst this could've been communicated to Mrs J from the beginning, I find ICICI Bank were trying to be as helpful as possible by agreeing to raise the chargeback via the relevant card scheme. I know Mrs J says the bank's responses lacked meaningful updates, and I realise she wanted the bank to tell her she'd receive her money back, but I don't find the bank acted unreasonably in its dealings with her. So I don't require it to pay her any compensation for the trouble and upset she experienced.

Overall, whilst there is no dispute that Mrs J has been the victim of fraud, for the reasons I've explained above, I don't require ICICI Bank to do anything further.

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 Mrs J to accept or reject my decision before 24 December 2025.

Lorna Wall
Ombudsman