

The complaint

Mr H complains that Capital One (Europe) plc has declined to refund disputed transactions made from his account.

What happened

In December 2024, Mr H opened a credit card account with Capital One. He says he didn't receive the card or Personal Identification number (PIN) for the account, and on 10 January 2025, he discovered that £603.50 had been withdrawn by an unknown individual over a three-day period.

Mr H contacted Capital One to report the transactions as fraudulent and asked it to refund the money. But Capital One didn't think it was liable for his loss. Unhappy with this, Mr H raised a complaint.

In response, Capital One said:

- It's been unable to accept Mr H's claim of fraud.
- The disputed transactions took place using Mr H's card and the correct PIN.
- The outcome to hold Mr H liable for the balance of the account will remain the same.

Mr H remained unhappy and referred a complaint to this service where it was considered by one of our investigators. He believed that the disputed transactions had been authorised by Mr H, and therefore Capital One was entitled to hold him liable for them.

Mr H disagreed and reiterated that he didn't make the withdrawals. He said he knew the daily withdrawal limit on the card and if he was going to do this himself, he would've just taken the whole amount before reporting it to Capital One.

As Mr H didn't agree, the complaint was passed to me.

I issued a provisional decision. I've included my findings again here and they form part of this decision.

Provisional findings

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'm minded to reach a different outcome to that of our investigator. I've explained why below.

The regulations relevant to this case say that generally speaking, a bank is entitled to hold a customer liable for authorised transactions, and the bank is liable for unauthorised ones. And I've taken that into account when deciding what is fair and reasonable in this case. Mr H

says he opened this credit card account as he was struggling a little bit financially whilst waiting for a financial claim to be paid out. He says he opened this credit card account to pay bills in the meantime.

I'm satisfied that once the account was opened, Capital One sent the card and PIN in two different envelopes to Mr H's registered address. On the balance of probabilities, I'm satisfied that both letters were delivered to Mr H's address. I say this because the disputed withdrawals were all made in the area where Mr H lives, and I find it unlikely that both letters would've been intercepted by the postal service in the circumstances of Mr H's complaint.

Capital One appears to have held Mr H liable for the disputed withdrawals because both the card and PIN were used. But that argument is very weak in the circumstances of this case, as it doesn't mean Mr H received both items of post and made the withdrawals himself. So I've considered whether or not it was possible someone other than Mr H could've intercepted both items of post and made the withdrawals without his authorisation.

Mr H says he has a carer who puts all of his letters in the same place for him, and she knew he had applied for the credit card account as he'd told her about it. Mr H also says that as he doesn't leave his house very often, he has many people who come to visit him – such as his brother. Although he cannot tell us specifically who visited him on or around 8 January 2025, it's entirely possible that either his carer, or one of his many visitors, could've intercepted both items of post without Mr H's knowledge.

Capital One has told us that in order to activate Mr H's credit card before its first use, a call was made from a landline number to its automated telephone service on 8 January 2025. Mr H says he doesn't have access to a landline telephone, and the dialling code suggests that the call was made from a location a number of miles away from Mr H's registered address. Whilst Mr H could've travelled to make the telephone call or asked someone else to make it on his behalf, Mr H has explained that due to his health, he doesn't leave his house very often, and I've taken that into consideration when making this provisional decision.

I understand the disputed transactions were all Automated Teller Machine (ATM) withdrawals in the same location where Mr H lives. That wouldn't be unusual if either Mr H himself, or someone he knew was using the card to make the withdrawals. Our investigator believes it's unusual that a fraudster would only use the card to withdraw cash, rather than maximise its use by, for example, purchasing high value items as well. Whilst I fully appreciate this point, this isn't enough to conclude that Mr H had any involvement with the transactions. I also note that whoever used the card on the third consecutive day, attempted to withdraw the exact amount that was available within the agreed credit limit. This of course, could indicate that Mr H had involvement from knowing the credit limit of the card, but, this could also be explained if someone had intercepted a letter displaying the account's credit limit. And I've already explained how that could've been possible here.

Mr H says he became aware of the disputed transactions when he received an email from Capital One alerting him to the fact that cash withdrawals from the credit card incur a higher cost. Mr H has provided us with a copy of this email, and I can see that within a short space of time, Mr H contacted Capital One to report the activity as fraudulent. I find that his actions in response to the email support Mr H's position that he didn't authorise these disputed withdrawals.

This case is very finely balanced, and I've thought very carefully about the evidence to decide what I think is most likely to have happened here. It's entirely possible that Mr H is being untruthful and is trying to de-fraud Capital One by making a false fraud claim. However, it's also possible, for the reasons I've outlined above, that someone Mr H knows has intercepted his card and PIN and used them to carry out unauthorised withdrawals. Mr H

has been consistent throughout his testimony that he didn't make these withdrawals, and Capital One's reasons for holding Mr H responsible don't sufficiently demonstrate Mr H authorised them.

So taking all available evidence into account, I don't consider that Capital One has evidenced that Mr H authorised the disputed ATM withdrawals. And so I'm currently minded to require Capital One to refund them, including any associated fees and interest.

Responses to my provisional decision

Mr H accepted my provisional decision.

Capital One didn't respond by the deadline I set.

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.

As neither party has provided anything further for me to consider, I see no reason to depart from my provisional findings.

I remain satisfied that Capital One hasn't evidenced that Mr H authorised the disputed ATM withdrawals. And so I require Capital One to refund them, including any associated interest and charges.

Putting things right

For the reasons I've already explained, I require Capital One to:

- Refund the disputed ATM withdrawals to Mr H's account, along with any associated interest and charges.

My final decision

My final decision is that I 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 30 July 2025.

Lorna Wall
Ombudsman