

## **The complaint**

Mr A complains that Zempler Bank Limited (Zempler) refuses to reimburse him for a payment made on his account without his consent.

## **What happened**

On noticing payments had been debited from his account that he had not authorised, Mr A raised concerns with Zempler via his online banking on 25 February 2025.

Zempler responded by stopping and replacing Mr A's card so as to prevent any further transactions from debiting his account and escalated the matter for investigation.

The payments Mr A disputed were made to four separate merchants, and once Mr A realised what had happened, he says he contacted three of the merchants directly and was refunded the money that was taken from his account. But Mr A was unsuccessful in contacting the fourth merchant – who I'll call B, that took a payment of £59.98 on 21 February 2025.

After investigating, Zempler said that it was unable to refund Mr A for this transaction. It said an initial payment to the same merchant of £1.87 to B was authorised by Mr A on 18 February 2025 using 3D Secure Verification (3DS), and the subsequent transaction was part of the same authority, so it was not eligible for chargeback under Mastercard rules as it was deemed that B had done everything reasonably possible to secure the transaction.

Zempler states that Mr A had entered a Continuous Payment Arrangement (CPA) with B. But Mr A disagreed that he should be held liable for the payment because he had not consented to it. He believed that funds were taken from his account fraudulently by B. Mr A said he wanted a refund and brought his concerns to this service for consideration.

Our investigator on reviewing everything presented, upheld the complaint. In summary, he felt that Zempler had not provided sufficient evidence to show that the terms of the CPA had been made clear to Mr A or that he had consented to it.

As Zempler disagreed, the matter was 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 reviewed matters, I broadly agree with the investigator's findings.

I'm aware that I've summarised this complaint in far less detail, but I've focused on what I think are the key issues here. I will, however, refer to all essential aspects which impact the decision I'm making.

The relevant law relating to authorisations are the Payment Service Regulations 2017

(PSRs) and the basic position is that Zempler can hold Mr A liable for the disputed payment if the evidence suggests that it's more likely than not that he made it or authorised it. But what Zempler cannot say is that the use of the card details on its own proves that the payments were authorised.

In this case we are also dealing with a distance contract – where payments were made and the card was not present. Both the Payment Service Regulations and the Consumer Credit Act 1974 make provisions for unauthorised transactions involving distance contracts.

Here Mr A has not disputed authorising a payment of £1.87 to B. But what he says is that he didn't authorise or agree to any further transactions being taken from his account by B and so he requests a refund of the subsequent payment to B that debited his account of £59.98.

Mr A has provided evidence to show the link he clicked on where he participated in filling out an online survey with B. This he says was provided on a social media platform and Mr A states he completed it with the intention of receiving a free gift. The £1.87 was for the postage and packaging.

Mr A maintains at the time he was not provided with any information relating to him agreeing to a subscription. He says no confirmation emails were received from B, and although he authorised the payment towards the delivery of the gift, he refutes authorising any subsequent payments to be debited from his account.

I can see that Mr A disputed payments taken from his account by other merchants around the same time, but these were refunded after Mr A escalated his concerns with the individual merchants directly. So, what remains for me to decide is whether Mr A was reasonably informed and aware that he was entering into a subscription with B.

I note Zempler is holding Mr A liable as it believes he did agree to the CPA with B, so it considers that all the subsequent payments made to B were authorised by Mr A.

If I'm satisfied with this, then Zempler will not be required to refund the payment Mr A disputes. However, if I'm not, then I would consider the CPA unauthorised, and taking the above regulation into consideration, Zempler will be asked to refund the payments that were taken under the CPA.

I've reviewed the evidence presented by both parties in relation to whether Mr A agreed to a CPA and can see that Mr A has remained consistent throughout and denied any suggestion that he entered into a subscription with B knowingly and he mentions that he has not received the gift that he was expecting to receive following his participation in the survey.

Zempler said it is holding Mr A liable as the transaction in dispute was linked to an initial, genuine transaction, and the further transaction was debited under a CPA. It has also presented evidence of what it says Mr A would have seen and agreed to and states that on visiting the website for B there is a link to pricing. Once someone clicks this link it gives a clear breakdown of the one-off fee of £1.87 and then information relating to the rolling monthly subscription fee of £59.98. It says there are multiple other pricing plans available to their consumers, so Mr A would have had to select the plan he was wanting to enrol on.

Mr A says he agreed to the payment of £1.87 in return for the gift, and this was authorised with a one-time passcode (OTP) but at no point did he authorise any further payments or agree to any form of subscription with B. It's his belief that his details were used fraudulently, and he mentions receiving a few pop-up boxes when attempting to authorise his payment.

The extracts from B's website that Zempler have provided appear to show a different name to that of the merchant that Mr A has mentioned, and having reviewed the evidence Mr A has presented, it does not seem to relate to a survey that Mr A has shared a link for. So, there is some question as to whether this is even the correct merchant. And it does not help with clarifying what terms and conditions, Mr A would have agreed to. It also seems to align with what Mr A has said about the other unauthorised payments taken by three other merchants and points to it not being genuine.

So, from what I've seen presented, I am not persuaded that it was clear to Mr A that he was entering into a CPA with B.

To set up a CPA the merchant – B in this instance – would have been required to provide specific information to Mr A to make them aware he was signing up to this type of payment arrangement. The Office of Fair Trading (OFT) had guidelines about how these should be set up. The Financial Conduct Authority (FCA) has said the guidelines still apply, and I think they reasonably set out what merchants should be doing, but I've not seen any evidence to support this happened. This includes, for example, whether or not the merchant clearly displayed the terms of the CPA clear on its website, or if this was just hidden in small print, or on a separate page within its Terms and Conditions.

It's evident that on noticing that a further payment had been taken by B, Mr A promptly raised his concerns with Zempler so that appropriate action was taken to protect his account.

Mr A has stated that he managed to contact the three other merchants and refunds were issued once he explained what had happened. But he says he had no means to contact B so raised concerns with Zempler.

I appreciate Zempler's efforts in providing further information relating to B's website and a demonstration of the process Mr A would have been required to follow, but as I've explained previously, I can't be sure the information Zempler has provided was what Mr A was provided with at the time, and I've seen no evidence of a CPA made between Mr A and B.

Here, I am satisfied that the initial payment was authorised, but I'm not persuaded that there was any legitimate authority provided, or agreement made, to initiate a CPA with B, or that Zempler can fairly hold Mr A liable for any subsequent payments taken by B using a CPA.

### **Putting things right**

For the reasons I've explained, I uphold this complaint.  
To put things right I direct Zempler to:

- Refund Mr A the total sum of £59.98.
- Refund any interest and charges incurred as a result of the disputed transaction.
- And calculate and pay 8% interest from date of payment to settlement on any outstanding amount including any resulting overpayments made to the credit card.

### **My final decision**

I uphold Mr A's complaint, and direct Zempler Bank Limited to put things right in the way I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 February 2026.

Sukhdeep Judge  
**Ombudsman**