

The complaint

Mr S complains that PSI-Pay Ltd won't refund payments he didn't make or allow anyone else to make.

Mr S has an account with Pockit. Pockit's cards are issued by PSI-Pay Ltd. As the transactions being complained about were made through a digitised token of the card associated with his Pockit account, PSI-Pay is the correct respondent business here.

As Mr S's communication was with Pockit, for ease of reading, I'll refer to Pockit throughout my decision.

What happened

In December 2024, Mr S contacted Pockit and disputed five transactions totalling just over £500 which he said he didn't make. Pockit declined to reimburse him on the basis that the transactions weren't fraudulent. It said they were made through Google Pay, after Mr S's card was added to a Google Pay wallet using a one-time passcode (OTP) that it sent to his registered phone number.

Unhappy with this outcome, Mr S complained to Pockit and subsequently referred the complaint to the Financial Ombudsman Service. He said he received the OTP at the time but didn't share it with anyone. Mr S also said he didn't think anything of the OTP as his card was already added to his Google Pay wallet.

Our Investigator was satisfied that the transactions were made through Google Pay, and that the digitised token was created shortly after Mr S received the OTP. They noted that as the token could not have been created without the OTP, Mr S either shared the code with someone else (despite claiming otherwise) or used it himself. Either way, the Investigator thought that the transactions were authorised.

Mr S disagreed with the Investigator's findings and asked for his complaint to be decided by an Ombudsman.

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 start by thanking Mr S and Pockit for their patience while this complaint has been awaiting an Ombudsman's decision. I'd also like to reassure them that although I've summarised the background above, so not everything that happened or has been argued is set out, I have read and considered everything that has been submitted to this office in its entirety.

Under the relevant law – the Payment Services Regulations 2017 (PSRs) – the starting point is that Mr S is liable for payments he authorised, and Pockit is generally expected to reimburse unauthorised payments.

Where a payment is authorised, that will often be because the account holder has made the payment themselves. But there are other circumstances where a payment should fairly be considered authorised, such as where the account holder 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.

Where evidence is incomplete, missing or contradictory, I need to determine what I think is more likely than not to have happened. I do this by weighing up what I do have and making a finding on the balance of probabilities.

Here, Mr S says he didn't take the steps that set up Google Pay with his card, nor did he make the payments with that token.

Pockit says the following steps were needed to set up Google Pay on a device at the time:

- Entering Mr S's card information on the device.
- The set up required the use of an OTP to be entered on the device.

I'm satisfied that the OTP was sent to Mr S's registered phone number, given Mr S has sent us a screenshot of the SMS. The message states that the OTP is to activate Google Pay. Looking at the screenshot he's sent, I can also see that within a minute Mr S received a further text which states that Google Pay has been enabled for his card.

It's plausible that Mr S's card information was somehow compromised without him realising. He's told us he recalls clicking on a link in an email in the weeks prior to the disputed payments and entering his card information. When the Investigator asked to see the email containing the link, Mr S said he no longer had it.

Regardless of how the card details were compromised, there's no explanation for how a third party could have obtained the code that was sent to Mr S's registered number without his involvement. Especially as there's no suggestion that someone else had access to his phone. Therefore, on balance, I think it's more likely than not that Mr S did access the code he received and either used it himself or shared it with a third party. And that is how Google Pay was set up on the device which was then used to make the payments in dispute.

I haven't been provided with anything to suggest that Mr S fell victim to a scam. He maintains that he didn't take either of those steps involving the code. But as I've set out, this conflicts with the evidence. Without an explanation surrounding this discrepancy, there's no way to know why Mr S took either step. And if he was tricked or scammed, it's unknown what he understood or agreed to.

Taking everything into account, I don't think Pockit has acted unfairly in concluding that there's been no fraud and, therefore, in treating the disputed payments as authorised.

I realise that this will come as a disappointment to Mr S. But overall, I'm satisfied that it's fair for Pockit to have deemed the payments as authorised.

My final decision

For the reasons given, 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 S to accept or reject my decision before 16 January 2026.

Gagandeep Singh
Ombudsman