

## The complaint

Mr P complains that PSI-Pay Ltd is holding it liable for a transaction which he says he didn't authorise.

## What happened

On 25 January 2025, Mr P authorised a payment of £39.99 from his 'Pock-it' account before receiving a message confirming the payment had been made and advising him of the revised balance. As this was below the figure he had expected, he checked his statement and discovered a payment of £202.75, which he didn't recognise. Mr P contacted PSI-Pay on 20 January 2025 and was told to raise a chargeback claim,

But PSI-Pay said the criteria for it to raise a chargeback claim hadn't been met. It also said it was unable to refund the payment because it was authorised via Apple Pay, which is a secure payment method requiring two-factor authentication ("2FA"). It explained that the account was added to Apple wallet on 23 January 2025 using the card details alongside a secure one-time passcode (OTP) sent to Mr P's registered phone number via SMS. Additionally, when a card is successfully added, an SMS notification is sent confirming the action.

Mr P complained to PSI-Pay, but it maintained its position and so he complained to this service. He explained that he'd received a text message about the winter fuel allowance on 23 January 2025 and clicked on a link which took him to an online application where he inputted his name and address, date of birth, and account details into which a subsidy could be paid. He said that he had an Android phone, so it was impossible for him to have authorised the payment, and that he never received, or was asked to submit a code from PSI-Pay.

Our investigator didn't think the complaint should be upheld. He accepted that Mr P uses an android device and that his card details were tokenised on an iPhone, which wasn't registered in his name. He explained that PSI-Pay had one telephone number on the account for Mr P which was the same number Mr P had provided to this service, the SMS could only have been sent to that number. Therefore, he thought it was more likely than not that the SMS enclosing the OTP was sent to Mr P's genuine number.

Our investigator noted that Mr P denied receiving or sharing an OTP to finalise the set-up of Apple Pay with his PSI-Pay card details, but he thought it was more likely than not that he did share the OTP because there was no plausible explanation for how anyone else would have been able to receive and use the OTP without his consent or involvement. So, he was satisfied Mr P had consented to the approval of the Apple Pay token.

Our investigator further explained that based on the value of the transaction, the fact it wasn't out of character for the account, and the fact there was nothing suspicious about the merchant, he didn't think PSI-Pay ought to have intervened.

And he was satisfied the PSI-Pay's decision not to raise a chargeback request was fair because the payment was authenticated using an Apple Pay token and it's likely the merchant would have evidence that they executed their services correctly.

Mr P has asked for his complaint to be reviewed by an Ombudsman. He maintains that he didn't authorise the payment

### **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 done so, I've reached the same conclusion as our investigator. And for largely the same reasons. I know Mr P feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

#### *Authorisation*

Authorisation has two limbs – authentication and consent. So, PSI-Pay needs to show the transaction was authenticated as well as showing Mr P consented to it.

#### *Authentication*

PSI-Pay has been able to show the transaction was made using an Apple Pay token which was authorised via Apple Pay on 23 January 2025 using the card details alongside a secure one-time passcode (OTP) which was sent to Mr P's registered phone number via SMS. So, I'm satisfied it was authenticated.

#### *Consent*

Mr P has explained that he inputted his name and address, date of birth, and account details into an online form having received a scam message on 23 January 2025. Based on this explanation, I'm satisfied that he has most likely fallen victim to a scam.

PSI-Pay has shown that the Apple Pay token was set up using an iPhone which was registered to a third party. To set up the token, the third party would have needed Mr P's card details as well as the OTP which was sent to his registered phone number. Mr P accepts having inputted his card details following receipt of the scam message, so I'm satisfied this is how the third party gained access to this information.

Mr P denies having received an OTP and/or sharing it, but I've considered what is most likely to have happened and as I'm satisfied PSI-Pay has shown that the OTP was sent to Mr P's registered telephone number – which is the same number he has provided to this service – I think it's most likely that he shared the OTP with a scammer in the belief that he would be receiving funds into his account.

I understand that in providing this information, Mr P didn't consider that he was giving a third-party permission to withdraw funds from his account, but in providing the information needed to set up the token, I'm satisfied that he was consenting to it and, in turn, to the transaction that was subsequently made using the token. Because of this, I'm satisfied PSI-Pay has shown that he authorised the transaction and so I can't fairly ask it to refund the money.

I've also considered whether PSI-Pay ought to have done anything to prevent the scam and, based on the value of the payment and the nature of the beneficiary, I don't think it missed an opportunity to intervene. And I'm satisfied the decision not to raise a chargeback claim

was fair because the payment was authenticated using an Apple Pay token and it's likely the merchant would have evidenced that they executed their services correctly.

### **My final decision**

For the reasons I've outlined above, 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 P to accept or reject my decision before 24 January 2026.

Carolyn Bonnell  
**Ombudsman**