

## **The complaint**

R, a limited company, complains that PayrNet Limited has declined to refund transactions that were made from its account after one of its directors was the victim of a scam.

## **What happened**

ANNA Money, who R's account is with, is an agent for PayrNet. For ease, I'll mainly refer to ANNA throughout this decision.

R is represented by one of its directors, Mr H. On 26 February 2024, Mr H says he received a call from an unknown number from someone claiming to be an employee of ANNA. The caller said there was a problem with a transaction to a particular company which had been blocked, and they asked him to share a One Time Passcode (OTP) sent to him to unblock the transaction in question. Mr H felt this was credible as R uses this company for business advertisements. Mr H complied with this request and was told the transaction had been unblocked and the call ended. But unknown to Mr H, this person was actually a fraudster.

A few hours later, two transactions totalling £8,147.50 then debited R's ANNA account. And when Mr H received a notification about them, he realised he'd been the victim of a scam and reported it to ANNA. But ANNA didn't believe it was liable for R's loss.

Mr H raised a complaint, and in response, ANNA said:

- It was sorry to learn that Mr H's experience with ANNA resulted in a complaint.
- It received Mr H's fraud report on 26 February 2024, and this was passed to its fraud team to begin an investigation.
- Unfortunately, despite its fraud team's best efforts it was unable to recover the funds.
- It would not be covering R's loss. It is not liable for authorised transactions, even in unfortunate circumstances such as a scam.
- As a gesture of goodwill, it applied three months free servicing to R's account.

Mr H then referred R's complaint to our service where it was considered by one of our investigators. He didn't believe R should be held liable for its loss, as he didn't accept that Mr H had authorised the disputed transactions, nor did he feel Mr H had acted with intent or gross negligence which had enabled to disputed transactions to take place.

ANNA didn't agree with our investigator. It raised many points as to why it didn't believe it should refund R and questioned the authenticity of Mr H's fraud claim and whether he had been the victim of a scam in the first place.

As no agreement could be reached, 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 done so, I've reached the same outcome as our investigator. I'll explain why.

Under the relevant law – the Payment Services Regulations 2017 (PSRs) – the starting point is that R is liable for authorised payments and ANNA is liable for unauthorised payments.

Where a payment is authorised, that will often be because the customer has made the payment themselves. Authorisation depends on whether the payment transactions were authenticated correctly – and whether Mr H consented to them. Here, it's not disputed the payments were authenticated correctly, and for Mr H to give consent – it must be in the form, and in accordance with the procedure, agreed between Mr H and ANNA. But there are other circumstances where a payment can 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.

I've given a lot of thought to ANNA's concerns about the authenticity of Mr H's fraud claim. I do appreciate its comments, but I've seen nothing to satisfy me that Mr H is being dishonest about the scam he says he fell victim to. Therefore, I accept he received a call from an unknown number, from someone who was aware R had an account with ANNA, and the subject of the call was in relation to a blocked transaction to a company legitimately used by R. Mr H has said to unblock the transaction he was asked to confirm a code sent to both his phone and email, a security measure he says ANNA has used in the past. So, this assisted Mr H's belief that he was genuinely speaking with an ANNA employee. Unfortunately, these codes enabled Apple Pay to be set up on the scammer's own device. But, it was the scammer and not Mr H that gave the payment instructions here. It follows Mr H hasn't used the agreed form and procedure himself to consent to these payments.

While Mr H shared security details which enabled the scammer to make payments from R's ANNA account, he did so on the understanding he was taking positive steps to enable a legitimate transaction to be processed. So, I don't think he understood he was, in fact, allowing someone to access R's account with the intention of making payments from it.

Considering that Mr H was tricked into allowing someone to access R's ANNA account, I don't think it would be fair to say he gave a third-party permission to consent to payments on his behalf. It follows that I'm satisfied the disputed payments totalling £8,147.50 were unauthorised. This means the starting position under the PSRs is that ANNA is liable to refund them.

However, ANNA can still hold R liable if it can show Mr H was grossly negligent with R's security details - which in this case would likely mean the sharing of the OTP. But while I agree this was negligent, it was in the context of him being told by someone who he believed was a genuine ANNA employee that he needed to take these steps to unblock a legitimate transaction. And at that point I've no reason to doubt he believed what he was being told. I don't see that Mr H's actions were so significantly below the standards of a reasonable person that they could be considered grossly negligent. And, as I've said above, I don't agree that by sharing the OTP, this means Mr H authorised all subsequent transactions carried out using that Apple Pay token. So, as I don't consider the transactions to have been authorised by Mr H, nor do I find he acted with gross negligence, it follows that I find ANNA should refund R's loss.

## **Putting things right**

My final decision is that PayrNet Limited should:

- Refund £8,147.50 to R.
- Add interest at 8% simple from the date of the transactions to the date it makes payment (less any tax lawfully deductible).

## **My final decision**

My final decision is that I uphold this complaint and direct PayrNet Limited to settle it as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 18 February 2026.

Lorna Wall  
**Ombudsman**