

## **The complaint**

Ms S says Santander UK PLC refuses to refund her for a transaction on her account she says she didn't authorise.

## **What happened**

The facts of this complaint are well known to both parties, so I won't repeat them in detail here.

In short, Ms S says her bag was snatched by someone on a scooter. A few days later she checked her Santander online banking account and saw an unauthorised transaction was made on her account for £495.10 on 31 July 2025. On 2 August 2025 Ms S reported her card as lost to Santander and asked for a refund of the unauthorised payment.

Santander considered Ms S's complaint but decided not to uphold it. It said the transaction was an ATM withdrawal, meaning the genuine card and correct PIN was used. Therefore, Santander said Ms S must have written this down and kept this with her card – which was grossly negligent and in breach of her account terms and conditions. So, it refused to refund the unauthorised amount.

Our investigator considered this complaint and felt that Ms S was grossly negligent, and so it wouldn't be fair to ask Santander to refund this amount. Ms S wasn't happy with this outcome, so the complaint has been passed to me for a final decision.

## **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.

Generally speaking, Santander is required to refund any unauthorised payments made from Ms S's account, unless the evidence shows Ms S had failed with gross negligence to comply with her obligations as a payment service user, and that has allowed the disputed transaction(s) to take place. Those rules are set out in the Payment Service Regulations 2017.

Ms S has said she didn't carry out the transaction in dispute, and the investigator made the finding that she was persuaded by what Ms S said about her card being stolen and used by someone else. Santander have not responded to dispute this finding and as this is not in dispute, I have carried out my decision on the basis that this was an unauthorised transaction. So, the matter I need to consider is whether Ms S failed with gross negligence to comply with her obligations as a payment service user. And as a result, this allowed the disputed transaction to take place.

The transaction in dispute was an ATM withdrawal, which means Ms S's card and PIN were needed to complete this. As outlined above, it is now accepted that someone else had Ms S's card as it had been stolen from her bag.

The technical evidence shows that the correct PIN was used for the ATM withdrawal, after two declined attempts due to incorrect PIN entry. However, there are 10,000 possible combinations of a four-digit PIN, so it's most likely anyone would correctly guess a PIN. Santander has provided evidence to show the last genuine PIN transaction took place on 4 July 2025, so it's highly unlikely someone shoulder surfed her entering this and then followed her around for over two weeks waiting to steal her card.

Ms S initially told Santander she had not kept her PIN written down with the card, but I've also seen evidence that she told our Service that she doesn't know if she had written down the PIN in her diary, which was in her stolen bag. She said if she had written it down, it would've only been the four-digit PIN without information on what this was in relation to. She also said there would've been other four-digit numbers written in the diary as well. In this case, without any other explanation as to how someone else could've obtained her PIN, I think it's likely the thief found her PIN written down in her diary.

The terms and conditions of Ms S's account state that it is her responsibility to keep her account security information safe, and she should not write down her PIN so it can be easily found by someone else. And these are not dissimilar to the responsibilities laid out for a payment service user by the PSRs. The fact that Ms S says she may have written down the four digit PIN in her diary shows that she didn't attempt to encrypt this information in any way. I understand that she says this wasn't the only four-digit number she may have written down, but since there were only two other incorrect PIN records, it seems that this information was not too hard to find either. In addition, Ms S had kept this PIN in the same bag as her card, not in a safe place at home for example, which I think altogether amounts to gross negligence.

So, while I know this outcome will come as a disappointment to Ms S, I think she was grossly negligent in writing down her PIN and keeping it with her card, so I think she should be held liable for the unauthorised transaction which was completed on her account when these things were stolen together.

### **My final decision**

For all the reasons outlined above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 2 December 2025.

Sienna Mahboobani  
**Ombudsman**