

The complaint

Mr S has complained Vanquis Bank Limited won't refund two cash machine withdrawals he didn't authorise on his new credit card.

What happened

In April 2025 Mr S applied for a new credit card with Vanquis. The card and PIN were sent separately to Mr S's home address. Mr S became aware there were two transactions on his card even though he'd not received the card or the PIN. Mr S asked Vanquis to reimburse him.

Vanquis refused to do this. They could see the card had been activated using Mr S's mobile just prior to the two withdrawals so felt this must have been done by Mr S. They believed he'd authorised the transactions.

Mr S brought his complaint to the ombudsman service.

Our investigator felt that Vanquis' evidence was convincing and wouldn't be asking them to refund Mr S.

Still unhappy, Mr S has asked an ombudsman to consider his complaint. He provided additional information, including his mobile phone bill showing his calls and his work log showing he was elsewhere at the time the transactions were made.

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.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Mr S's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves.

Having reviewed the evidence, I believe there is enough to show that Mr S most likely authorised these disputed transactions.

There is no dispute that the genuine card and PIN were used to make two cash machine withdrawals on Mr S's credit card account. This was a new account and Mr S said he'd

never received either the card or the PIN. All he'd received was a text from Vanquis confirming his card hadn't been activated yet.

Vanquis's evidence shows the card and PIN were sent separately to Mr S's home address. Whilst he has a shared mailbox, I'm still unsure how a third party would know Mr S had applied for a new credit card to check his post so thoroughly. Mr S's correct mobile phone number activated the card at 23:52 on 25 April 2025. The two cash machine withdrawals for £300 each were completed within minutes at 23:54 and 23:55. Clearly this suggests the card was only activated at the time it was needed to be used.

Vanquis can also show that after the transactions were disputed this mobile number was used to query the credit limit, check the balance and statement date. These don't show on Mr S's mobile phone record as this isn't linked to his mobile phone usage. This mobile phone number is the one Mr S still uses.

Mr S has shown he was at work at the time and soon after reported these disputed transactions to Action Fraud as proof this couldn't have been him.

I believe that although he may not have used the card, the evidence points to him knowing it was being used. For example, there is a phone call on Mr S's mobile phone record within five minutes of the two disputed withdrawals being carried out.

I also have to wonder why – if his credit card was being used by an unknown third party – that further withdrawals weren't made after midnight which would enable further cash to be withdrawn.

The usage of the credit card doesn't resemble fraudulent usage. Usage isn't quite the indicator of fraud as banks often suggest but in this case, where the card and PIN were in the possession of a third party, I'd have expected to see high-value transactions attempted.

I have considered Mr S's testimony that he can't have made these transactions, but the evidence does point to him having authorised these.

Overall, I'm satisfied Mr S authorised these transactions.

My final decision

For the reasons given, my final decision is not to uphold Mr S's complaint against Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 January 2026.

Sandra Quinn
Ombudsman