

The complaint

Mr B has complained Lloyds Bank PLC won't refund transactions he didn't authorise on his new credit card.

What happened

In January 2025 Mr B applied for a new credit card with Lloyds. The card and PIN were sent separately to Mr B. Mr B became aware there were transactions on his card even though he'd not received the card, although he had received the PIN. This remained intact. Mr B asked Lloyds to reimburse him.

Lloyds refused to do this. They could see the PIN had been used for most of the disputed transactions and couldn't identify how it would have been possible for an unknown third party to use the correct PIN with the card.

Mr B brought his complaint to the ombudsman service.

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

Still unhappy, Mr B has asked an ombudsman to consider his complaint. He didn't understand why Lloyds hadn't reviewed any CCTV evidence from the cash machine withdrawal. He believes this would show it couldn't have been him.

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 B'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 B most likely made these disputed transactions.

There is no dispute that the genuine card and PIN were used to make six transactions on Mr B's credit card account. This was a new account and Mr B said he'd never received the card. He had received the PIN and there was no indication this had been tampered with.

I can't therefore see how an unknown third party would have been able to know the PIN used with Mr B's new credit card. Mr B understands that the chances of someone being able to successfully guess a randomly-generated PIN are well-nigh impossible.

Mr B has confirmed the PIN was delivered successfully. I'm not sure therefore why the credit card wasn't as well. Lloyds' evidence shows the PIN was sent on 23 January and the card a day earlier. Mr B has suggested someone may have compromised his mailbox. If this were the case, I'd have expected them to try and compromise the mailbox for the PIN too. This doesn't seem to have happened.

The usage of the credit card doesn't resemble fraudulent usage. Obviously usage isn't quite the indicator of fraud as banks like to suggest but in this case the purchases are relatively low-value. If the card had been used by an unknown third-party (knowing this was a credit card) I'd have expected to see high-value transactions attempted.

There's also a check on the balance available on the card so anybody using this card would have been able to see that more expenditure could have been attempted.

Mr B has provided us with evidence of two transactions he carried out the same day as the disputed transactions and believes this shows he couldn't have made the disputed transactions. Unfortunately Mr B's transaction evidence doesn't show any timing so I don't agree this shows what he believes.

I have considered what Mr B has said about CCTV evidence clarifying what had happened. This has not been obtained. I wouldn't really expect Lloyds to have sought this out. It's also the case that CCTV doesn't necessarily show what individuals expect.

Overall I'm satisfied Mr B authorised these transactions.

My final decision

For the reasons given, my final decision is not to uphold Mr B's complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 November 2025.

Sandra Quinn
Ombudsman