

The complaint

A company, which I will refer to as H, complains that Equals Money UK Limited, trading as Card One Money, closed its account and won't reimburse funds it lost to fraud.

Miss R, who is a director of H, brings the complaint on H's behalf.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

Miss R found an investment opportunity online. The investment terms required the provision of a loan note to a business I will refer to as 'Company S'. Company S agreed to pay Miss R a percentage of profits from the sale of land plots upon successful completion.

Happy to proceed with the investment, on 8 April 2025 Miss R made a £10,000 payment from H's Card One Money account to an account instructed by Company S.

Miss R says she engaged with representatives of Company S in the months that followed but didn't receive any returns on her investment. Communication with representatives of Company S eventually ceased and Miss R concluded that she'd been the victim of fraud. As such, she raised a fraud claim, on H's behalf, with Card One Money asking it to reimburse its loss.

Card One Money considered H's claim but concluded that it wasn't liable to reimburse. In summary, it found that Miss R, on behalf of H, did not meet the Consumer Standard of Caution as set out in the FPS (Faster Payment Scheme) Reimbursement Rules. It also took the decision to close H's account

Miss R, on behalf of H, disagreed with that assessment, so she referred the complaint to our service for an independent review. An Investigator considered the evidence and testimony provided by both parties but concluded Card One Money had acted fairly in not reimbursing H's loss. They found insufficient evidence to support the assertion that H had been the victim of fraud, as defined in the FPS Reimbursement Rules. They therefore found that it fell outside the Scheme's scope. The Investigator also concluded that H's account was shut fairly.

Miss R, on behalf of H, disagreed with that assessment. So the matter has now 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.

Fraud reimbursement

In deciding what's fair and reasonable in all the circumstances of a complaint, 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 time.

There is no dispute here that Miss R authorised the transaction in question on H's behalf. And the starting position in law is that H will be held liable for the transaction authorised in the first instance. That is due to Card One Money's primary obligation to process payments in line with its customer's instructions.

But from 7 October 2024, Payment Services Providers ("PSPs") in the UK, like Card One Money, have been bound by the FPS reimbursement rules ("reimbursement rules"). Under these rules, most victims of Authorised Push Payment ("APP") scams should be reimbursed – but "private civil disputes" are not covered.

I've therefore considered whether what has happened between H and Company S meets the Reimbursement Rules' definition of an APP scam or could more reasonably be classed as a civil dispute. The reimbursement rules define an APP Scam as:

"Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a consumer into transferring funds from the consumer's relevant account to a relevant account not controlled by the consumer, where:

- *The recipient is not who the consumer intended to pay, or*
- *The payment is not for the purpose the consumer intended"*

By contrast, a private civil dispute is defined as;

"A dispute between a consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty"

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

"2.6 Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act."

2.5 provides an example of when this might apply:

"...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier."

So, in order to consider what has happened here as an APP scam, I would need to be satisfied that it involves criminal deception. The evidence for this would therefore need to be convincing. Having thought about this carefully, I'm not satisfied that H's payment is covered by the reimbursement rules.

Open resource checks indicate no adverse information recorded against Company S. To the contrary, Company S has an active registration on Companies House, what appears to be a professional and working website and is officially registered with The Property Ombudsman and other leading standards bodies.

Further, our service has contacted the provider of the account where Miss R sent her funds, in attempt to determine if there were any concerns with the account and to check its

legitimacy. And while I cannot share specific information about that account—as it pertains to a third party—there were no issues identified and the provider reported no concerns.

Overall, I'm not persuaded that Company S displays the attributes of an illegitimate or fraudulent business.

Miss R has provided Card One Money with evidence inferring that the investment itself was misrepresented or fraudulent. But again, I respectfully disagree with that assertion.

I have reviewed the email Miss R had received from a local government planning department, stating that the planning application reference she had provided was not on their systems. However, I have also seen the planning application she was referring to. And I have noted that this planning application has a 'draft' watermark displayed on it, meaning it had not been submitted. So I can understand why the application reference number could not be found.

I can also see from messages and emails Miss R has provided to Card One Money that relations between her and Company S's representatives had broken down over time. Messages from Company S's representatives claim that Miss R was overwhelming them with correspondences, eventually leading to its director emailing Miss R directly and providing her with a written warning to cease unwarranted contact and client interference. The director warned Miss R that if she continued, she would be withdrawn from the investment with no refund provided, as set out in the terms of their contractual agreement.

While I am not suggesting what the director has said in his emails is an accurate characterisation of Miss R's behaviour, it is evident that there was a breakdown in the business relationship, and I cannot rule this out as a reason for H's funds being withheld.

I have carefully considered all the remaining evidence Miss R has provided in support of her claim—both pre and post our Investigator's assessment—and have been unable to identify any indication of fraud or dishonest intentions from Company S.

Overall, I'm not persuaded from the evidence that the investment itself was fraudulent or dishonestly misrepresented. This, along with the apparent legitimacy of the Company S, leads me to conclude that H's payment does not fall within the scope of the reimbursement rules. It is therefore fair that Card One Money declined Miss R's claim on behalf of H.

Account closure

PSPs, like Card One Money, retain the right to terminate its business relationship with a customer if this is done fairly and in line with the terms and conditions of the account.

Card One Money's terms and conditions state that it can close an account immediately if it suspects fraud or misuse of the account, threatening or abusive behaviour is directed at its staff, there is a breach of the terms and conditions, there are security concerns or if it is required to do so by law.

I am unable to disclose the information pertaining to Card One Money's investigation that led to the account closure, as this information is confidential in nature. But having considered this information carefully, I'm satisfied that the account closure was carried out fairly and in line with the terms and conditions of the account.

My final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 13 March 2026.

Stephen Westlake
Ombudsman