

The complaint

Mr S complains that Zopa Bank Limited will not refund him for a failed cash withdrawal despite the money being debited from his account.

What happened

On 13 August 2025, Mr S says he attempted to withdraw £200 using an Automated Teller Machine ('ATM') but no money was dispensed.

He reported this to Zopa, and on 15 August 2025 it provided him with a temporary refund for the £200 whilst it investigated his dispute, which involved reaching out to the owner of the ATM to obtain information about the withdrawal.

On 12 September 2025, Zopa informed Mr S that it would be re-debiting the £200 from his account, as it said the ATM owner had confirmed there were no errors during the withdrawal request.

Mr S raised a complaint. In response, Zopa said:

- It was sorry to hear that Mr S was unhappy with the service provided, but it would not be returning the £200 to him.
- The ATM operator supplied evidence showing that the £200.00 was successfully dispensed and that no fault was identified in their systems at the time of the transaction.
- Zopa is required to rely on the evidence provided by the ATM operator's bank when completing this process.
- Its investigation was carried out in line with the process set out under the Payment Services Regulations 2017.

Mr S then referred his complaint to this service where it was considered by one of our investigators. He didn't find that Zopa had made any mistakes with the handling of Mr S's dispute, and was satisfied Zopa wasn't responsible for his loss.

Mr S didn't agree with our investigator's findings. He said that just because the ATM operator says there was no fault does not mean that money was actually dispensed or collected. He also said that sometimes, ATMs register a successful transaction even when the notes jam or are pulled back into the machine. He further referenced Zopa's responsibilities under the relevant regulations when it comes to disputes of this nature. And didn't feel Zopa had met the necessary burden of proof to reject his dispute.

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 broadly reached the same outcome as the investigator. And so, I don't require Zopa to refund Mr S. I'll explain why.

There is clearly a difference between what Mr S has said happened and what Zopa has obtained from the ATM owner. Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I must reach my decision on the balance of probabilities – in other words, on what I consider is more likely than not to have happened in light of the available evidence.

In general terms, when a customer claims that a transaction has not been correctly executed, it is for the payment service provider (in this case Zopa) to evidence that the transaction was successful and not affected by a technical breakdown or some other deficiency.

Here, Zopa didn't own the ATM that Mr S used, and had to contact the company who did. It provided a temporary refund of the £200 to Mr S's account whilst it awaited evidence from the ATM owner in relation to the disputed withdrawals. I'm satisfied this was appropriate in the circumstances.

I've seen the technical information provided to Zopa by the ATM owner. I know Mr S has seen this too. The evidence indicates that the withdrawal of £200 was successful. Mr S entered his card at 2.44pm and a withdrawal request was made, but this attempt wasn't completed and his card was returned. A minute later, Mr S re-inserted his card, entered his Personal Identification Number (PIN), and at 2.46pm the card was taken and the funds presented in the denomination of 2 £10 notes and 9 £20 notes. As well as this, rejected notes are detailed on the report, with a running total included. The rejected notes total does not change before or after Mr S's withdrawal.

I've considered the possibility of the ATM somehow malfunctioning, which resulted in the requested notes not being presented to Mr S as expected. In such an event, I'd expect there to be some record of this happening. There are a number of different processes being carried out within the ATM and there would likely be some record of a problem if the withdrawal had failed. But this isn't the case here. Nor is there any other evidence indicating a problem with the ATM's operation.

Mr S, when referring his complaint to this service, said that without independent verification of the evidence available (including CCTV), Zopa hasn't met its obligations under the relevant regulations to show that the £200 withdrawal was authenticated, accurately recorded, and not affected by any technical or operational error. I appreciate Zopa hasn't been able to obtain CCTV of Mr S using the ATM as part of its investigation into his dispute. That's not surprising considering it doesn't operate the ATM itself, however there is other evidence that it's able to rely on. And whilst I fully appreciate Mr S will be disappointed by this decision, I find the evidence Zopa has provided is sufficient to show it's entitled to hold him liable for the disputed £200.

I was sorry to hear how Mr S was impacted by the disputed transaction. I realise this will be very disappointing for him, but in view of everything I've considered for this complaint, I find it more likely that not that the ATM did dispense the £200 successfully. And therefore, it was reasonable for Zopa to re-debit the £200 temporary refund. I don't require it to do anything differently here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 February 2026.

Lorna Wall
Ombudsman