

## **The complaint**

Mr B has complained Capital One (Europe) plc won't accept that transactions he disputes in September 2025 are fraudulent.

## **What happened**

In October 2025 Mr B noticed transactions on his Capital One and raised his concern with them that he'd not made or authorised these two transactions. The first was made on 16 September and the second on 30 September with a recognised online shop.

Later that month the online shop refunded the amount of the transaction on 30 September in two amounts, being £365 and £413. These two payments credited Mr B's Capital One account on 7 and 29 October.

Capital One confirmed to Mr B that the transaction made on 16 September in US dollars was effectively authenticated by a one-time passcode which had been sent to his mobile device. They believed this showed he'd made this transaction.

Unhappy with this outcome, Mr B brought his complaint to the ombudsman service. He believed he was abroad at the time of this transaction and that his mobile would not have had sufficient reception for him to receive any one-time passcode.

Our investigator believed Capital One had enough evidence to show Mr B had most likely made this transaction.

Mr B disagreed. He now felt he couldn't be sure whether his mobile was within his possession at the time and therefore there was no evidence that he'd provided consent, as required by the regulations, to this transaction.

## **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 conclusion 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.

It's worth stating that I can choose which weight to place on the different types of evidence I review, including technical evidence, provided by financial institutions along with complainants' persuasive testimony.

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. There's also provision under these regulations, and the consumer credit regulations which are also relevant here, that provide for banks and financial institutions to reject claims for fraudulent transactions if there is enough evidence that the payment service user – Mr B in this case – allowed a third party to make a transaction on his account.

It's worth noting that Mr B originally disputed the transaction for £778 to an online shop. But I can see that two credits were made to Mr B's account at later dates. This seems to match what we see when someone has returned goods for a refund. Whilst I note similar authorisation applies to this transaction as to the one completed on 16 September, I am not considering this in detail within this decision as I can't see there is any loss to Mr B relating to the transaction. I note Mr B believes this shows that Capital One successfully disputed this transaction with the merchant involved which is why the monies were refunded. I'm not sure this adequately explains why the refund was made in two amounts.

Having reviewed the evidence, I believe there is sufficient to show that Mr B authorised the disputed transaction. I say this because:

- There is technical evidence to show that a one-time passcode was sent to Mr B's mobile device (the number matching the one that he still uses) for this transaction. This passcode was then used to provide successful customer authentication.
- Whilst Mr B has said his phone may not have been in his possession, I note that this wasn't his original testimony. I do consider customer's own testimony when considering whether authorisation (including both authentication and consent) took place. In Mr B's case, his credibility has been affected by the fact he has changed his story. His original story was that his phone could not have received the one-time passcode.
- This claim wasn't Mr B's first fraud claim with Capital One.

My role is to weigh up the evidence and decide which I place most weight upon. In this case I see no reason why I should put aside the technical evidence as I find this most convincing. Under the regulations I am able to conclude that effective execution of the transaction amounts to consent.

I won't be asking Capital One to do anything further.

### **My final decision**

For the reasons given, my final decision is not to uphold Mr B's complaint against Capital One (Europe) plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 March 2026.

Sandra Quinn  
**Ombudsman**