

The complaint

M complains that New Wave Capital Limited trading as Capital on Tap (COT) have held it responsible for payments made from its account.

What happened

The background to this complaint is well known to both parties. So, if there's a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether COT was responsible for M's losses here.

On 04 April 2025 M says that two unauthorised payments were made on its business card totalling £4,634.74. After receiving a One Time Passcode (OTP), M immediately contacted COT to raise a claim about the disputed payments here.

COT reviewed the claim but said that it wasn't going to refund M because it was satisfied the disputed payments had been authorised by M. So, M brought its complaint to this service.

Our Investigator didn't think the complaint should be upheld. He said that an OTP was sent to M's number and this allowed the disputed payments to be made. And because M confirmed to him that the device was in M's possession at the time of the payments it was likely that M had shared the OTP with a third-party here. Our Investigator added that when M raised the claim with COT it explained that it was speaking with someone who it thought was calling her from a bank - who I'll refer to here as N - who asked it about payments on M's accounts. So, our Investigator said this was likely when M shared the OTP.

M disagreed and asked for an Ombudsman review. M said that it received an OTP at 20:48 on 04 April 2025 but this was after the disputed payments and led to it raising the claim with COT. M denies saying that it was on the phone to someone from N and said it would get its phoned check for software that may have enabled a third-party access to its device.

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 agree with the conclusions reached by our Investigator, and for largely the same reasons.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

A consumer should only be responsible for transactions made from their account that they've authorised themselves. M has said it didn't give any permission for the transactions in

dispute to be made but COT believes it did. My role then is to give a view on whether I think M more likely than not authorised the transactions, based on the evidence I have available.

M's bank account that was linked to COT wasn't with N. So, it is strange that M received a call from N telling it about her account with COT. There's no relationship between COT and N as well. So, as M admitted on the phone to COT when she first initially raised the claim, it would appear this was likely a scam call to try and obtain details from M about the accounts she had.

I can see that COT blocked one of the disputed payments and asked for M to confirm whether it wanted the payment to be made by sending an OTP to its device. This OTP was then used to confirm that the payment could be sent. M denies sharing the OTP and has confirmed that the device was in her possession at the time as was the card. I've not been provided any further evidence to confirm that M's device had been cloned or that M had clicked on a third-party link which may have given a third-party access to her device and COT account.

I note that there was some suspicious activity on one of M's other accounts at the same time where a third-party device was set up with a different number and was able to make some disputed payments. There's also the issue of a further OTP being sent to M's device at 20:48 the same day. This was for another payment that was being attempted on her COT account. However, this payment request and the OTP were sent after M had raised the dispute with COT. This suggests to me that it's more likely than not a third-party had obtained M's card details but didn't have access to its device to see the OTP, otherwise they would've also tried to use the OTP on the later transaction. So, even if M did provide evidence of cloning on her device I don't think this explains how a third-party was able to make these payments.

The above persuades me that what is most likely to have happened here – on balance - is that the OTPs that were sent for the disputed payments at 17:12 and 17:13 were likely shared by M to the person who called saying they were from N. Which would mean, that M authorised the payments when sharing the OTPs. And because M's testimony is that she didn't share or authorise the payments, I can't reasonably say that COT has treated M unreasonably here by declining her unauthorised payment claim.

As a result of the above, I don't think I can reasonably say that COT treated M unfairly here by not refunding it.

I appreciate this will likely come as a disappointment to M, and I'm sorry to hear of the situation it's found itself in.

In the circumstances of this complaint, I do not consider it would be fair and reasonable to hold COT responsible for its loss.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 9 April 2026.

Mark Dobson
Ombudsman