

The complaint

Miss B complains that Lloyds Bank Plc has declined to refund a disputed transaction that debited her account.

What happened

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my decision.

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 investigator's findings for broadly the same reasons, I will explain why below.

I think it's important to explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

The regulations relevant to this complaint are The Payment Services Regulations 2017 (PSRs). These say, in summary, that a payment service provider should generally refund a transaction that comes out of one of their consumer's accounts that they didn't authorise, and that the consumer is liable for authorised transactions.

Here Miss B disputes a payment made on her account for £2,000 on 29 July 2025.

Lloyds has said that the payment was made via her mobile banking app and that as all the correct security credentials were used for Miss B's account, it had no reason to believe the transaction was being made by anyone other than Miss B.

Miss B has said she is unsure who or how someone accessed her phone but says that on the day in question, the only time she remembers leaving her phone unattended was during a business meeting where she had to step away from the table briefly. However, I am also mindful that the disputed transaction was made at 3.21am.

So, I've carefully considered this point, along with the technical reports that Lloyds has provided. Having done so, I'm satisfied that it's more likely than not that the disputed transaction was made using Miss B's genuine mobile phone. (registered to her account since 2 June 2023).

I say this because I note that the same device had previously been used by Miss B to approve transactions prior to the disputed transaction and after. And I am satisfied, that this was the only device registered to be used on the account / no other device was registered to

be used with the account. Therefore, in order for the disputed transaction to be made by a third-party they would have needed to gain access to her mobile device.

Lloyds has provided evidence to show that in order to make the payment via her mobile banking app facial biometrics or 'face ID' would have needed to be used. Which coincides with what Miss B has said about facial biometrics being the security process she had in place.

In this case, as Lloyds has provided evidence that shows the payment was completed via biometrics, I can appreciate Lloyds' position that the transaction was made by Miss B.

Miss B has said:

"if I'm correct biometrics / face ID are known to have been used by others to gain access to peoples devices. This is not, unfortunately, all that uncommon, or certainly it is more common than it should be and less secure than we are led to believe."

So, I have taken this into consideration along with other factors surrounding the disputed transaction.

But there has been no evidence put forward to suggest that Miss B's biometrics had been compromised, incorrectly entered previously, or that it had been changed. And I note Miss B has continued to access her device and the Lloyds banking application, using the same device regularly since the disputed transaction took place. Therefore, I am satisfied that her biometrics had not been altered in anyway prior to the disputed transaction.

Lloyds has also provided evidence to show the same IP address was used as had previously been seen used prior to the disputed transaction. I've considered whether there could have been any malware on Miss B's phone, but we've been given no indication this is the case, and this doesn't appear likely in the circumstances. And I have considered the amount of money which was left in the account after the disputed transaction was made. And while, it is plausible that someone attempting to defraud Miss B would have left money in the account, its uncommon.

So, given these two components accompanied by the fact Miss B's biometrics were used to access the mobile banking app to authenticate the payment, I am persuaded it's fair for Lloyds to have treated the disputed transaction as having been authorised by Miss B. Therefore, I don't require it to do anything further here.

I am really sorry to hear of the impact the disputed transaction had on Miss B, especially considering her very difficult circumstances at the time and I know she raised concerns about the way Lloyds handled her claim.

But I haven't seen anything to suggest the disputed transaction took place because of something Lloyds did wrong. So, I can't fairly hold it responsible here.

I sympathise with Miss B and fully appreciate the additional stress this matter would have caused her but as I am satisfied that the apology Lloyds has already offered is fair and reasonable in the circumstances and that it has done enough to put things right.

I don't think its actions impacted Miss B in a way which warrants compensation.

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 Miss F to accept or reject my decision before 15 May 2026.

Jade Rowe
Ombudsman