

The complaint

Mr A complains that Modulr FS Limited trading as Pockit Limited declined to refund disputed transactions that were made from his account.

What happened

On 15 January 2026, two transactions totalling £184.90 were made from Mr A's account to an electronics store. Mr A says he didn't make these transactions, and as soon as he discovered them, he reported them to Pockit and asked it to refund the money.

But Pockit didn't believe it was liable for his loss, as it was satisfied that the transactions were made using Google Pay, from a device that had previously been linked to Mr A's account in December 2025. Mr A didn't accept this and raised a complaint. In response, Pockit said:

- The criteria to refund a fraudulent transaction was not met, and it had to reject Mr A's fraud claim.
- Mr A's card was added to a Google Pay wallet on 27 December 2025, which was verified by two-factor authentication. This involved an SMS being sent to Mr A's mobile phone number for the set up to be completed.
- That Google Pay wallet was used to make the disputed transactions totalling £184.90.
- It appreciates Mr A shared details of his own Google Pay wallet, which didn't show the two transactions, but this indicates that his card was added to a different Google Pay wallet.
- Due to the enhanced security features of such payment method, it was unable to raise Mr A's claim through Mastercard's chargeback system.

Mr A referred his complaint to this service where it was considered by one of our investigators. During the course of her investigation, she informed Pockit of Mr A's personal circumstances, and as a result, Pockit agreed to refund the £184.90 to Mr A as a gesture of goodwill. But it maintained that it had reached the correct outcome when it initially investigated Mr A's fraud claim. Our investigator felt Pockit's offer was fair and reasonable.

Mr A initially accepted Pockit's offer. But he's since asked for an ombudsman to consider his complaint. As well as other things, he wants clear evidence to show that the SMS to set up Google Pay was sent to his telephone number. He's also unhappy that there is no way to trace where the £184.90 has gone, and he hasn't been able to obtain any information from the electronics store itself. He also said he wants Pockit's involvement to be investigated further, as well as compensation.

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.

I realise this will come as a huge disappointment to Mr A, but I've reached the same

conclusions as our investigator, for broadly the same reasons.

Firstly, it's important to recognise that Pockit has agreed to refund the disputed transactions as a gesture of goodwill. This was an offer it made itself, not one that our service recommended it to make.

The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. So, whilst I recognise that Pockit has agreed to refund the £184.90, Mr A has asked me to consider the overall complaint, including how the transactions were possible, as he's adamant he had no involvement in them at all.

I realise Mr A has suggested that Pockit has provided inaccurate evidence, and is somehow involved in the disputed transactions being made, but I haven't seen any evidence of that at all. The evidence I have seen, satisfies me that an SMS was sent to Mr A's mobile telephone number on 27 December 2025, and that SMS was used to enable Google Pay linked to his Pockit card on an Android device. Pockit says that same Android device was used to make the two disputed transactions to the electronics store almost three weeks later.

Mr A says he didn't receive any messages from Pockit on 27 December 2025. He's told us what he was doing on that day and has said he was alone at home. Mr A hasn't given any explanation as to how someone else could have intercepted the message – I'm satisfied it was sent to his telephone number, as that was the only number Pockit had on record for his account that day. I've not seen anything to suggest there was malware on his phone. Mr A says he didn't receive any suspicious calls or messages and didn't disclose anything to a third party. He's also said he didn't experience any issues with his phone. So, it's unclear how the SMS could have ended up in the possession of an unauthorised party. But I'm satisfied, on balance, that this SMS was used to set up Android Pay on a device.

As I'm satisfied the SMS was used to set up Google Pay, and in the absence of any evidence to explain as to how else someone else came to be in the possession of the Mr A's phone or the message sent to his number, I find – on balance – Mr A must have disclosed the content of the message in some way – or that someone else was able to intercept it from his phone directly. I say this because without this happening, the transactions couldn't have taken place. It's possible Mr A did so inadvertently and/or perhaps as part of a scam and is withholding information as he's worried it might impact his fraud claim negatively in some way. But because Mr A is saying that he didn't have any interaction with a third party, nor did he receive the SMS to set up the Google Pay, I don't have any evidence about the circumstances of that disclosure. So, I can't fairly conclude the transactions were made without Mr A's involvement in the circumstances he's described.

So, in view of this, I can't fairly say Pockit acted unfairly when it declined to refund Mr A's fraud claim when it was made, or when it rejected his complaint. But, I'm pleased to see that it's agreed to refund the disputed transactions as a gesture of goodwill. Like our investigator, I find this very fair in the circumstances of this complaint, and therefore I don't require it to do anything further.

I was sorry to hear about the difficult personal circumstances that Mr A is dealing with. I know this decision isn't the outcome he was hoping for, but in view of the evidence I've seen, I can't fairly require Pockit to pay anything more than the offer it's already made.

Putting things right

In view of the above, if it has not already done so, Modulr FS Limited trading as Pockit Limited should pay Mr A £184.90.

My final decision

My final decision is that I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 May 2026.

Lorna Wall
Ombudsman