

The complaint

Ms M says Lloyds Bank PLC (“Lloyds”) refuses to refund her for transactions on her account she says she didn’t authorise.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail here.

In short, Ms M says she was shopping in a supermarket when her purse and phone was stolen after she had used her device to pay for her shopping. Ms M says she didn’t realise her Lloyds card was taken until later, when she discovered unauthorised transactions on her account. Ms M says Lloyds should refund these transactions as unauthorised. Ms M also asked us to investigate the service received by Lloyds, as she felt she was due some compensation.

Lloyds says it considered Ms M’s complaint, but the evidence provided showed that some transactions were completed with chip & PIN, others with the card and address details, and some were verified using 3Ds. So, Lloyds said it doesn’t think the payments were made by an unknown third party, as there was not enough evidence to show how all these details were compromised. However, Lloyds provided £20 compensation for the disruption Ms M suffered during her initial complaint call.

Ms M wasn’t happy with the outcome received by Lloyds, so she brought her complaint to us. Our investigator completed an independent review of all the evidence and information provided but overall, she wasn’t persuaded the transactions were unauthorised. So, she didn’t ask Lloyds to refund the disputed payments. She also considered the Service Ms M received from Lloyds and felt that the compensation already offered was fair. Ms M wasn’t happy with this so, the complaint has been passed to me for a final 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.

Before I set out my thoughts, I want to acknowledge that I have summarised this complaint briefly and, in less detail, than has been provided. I’ve focused on what I think is the heart of the matter. Please rest assured that while I may not comment on every point raised, I have considered it. I’m satisfied that I don’t need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this and reflect the fact that we are an informal service and a free alternative for consumers to the courts.

Ms M has disputed several transactions made on her account between 8 and 14 March 2025. She was robbed outside the supermarket on the evening of 8 March 2025 by a group of boys and she thinks they had seen her PIN and phone passcode. So, she thinks she was targeted by this group after they had watched her to see her enter her security details. I’ve

considered what Ms M has said alongside the other evidence available to conclude on what I think is more likely to have happened.

Ms M told Lloyds that she had been asked to enter her PIN into several terminals before the transaction was approved, and she thinks this is how the thieves saw her PIN. She then unlocked her phone to use ApplePay to pay for her supermarket shopping. I've thought about this, but the evidence doesn't show any declined chip & PIN payments which would've been recorded on her transaction history. Ms M has said that the PIN machine may have been turned off, but I don't think she would've entered her PIN in a machine which was switched off as she there would be no prompt to enter her number, and no digits on the screen when she entered her PIN. Ms M also told us she doesn't have her PIN or phone passcode written down anywhere, so I am not persuaded that anyone who stole her belongings would've also had knowledge of her PIN.

The evidence provided from Lloyds shows that Ms M's online banking was logged into several times during the period of the disputed transactions. Ms M says she thinks she was shoulder surfed entering her phone passcode, but this doesn't explain how someone else would've been able to open her Lloyds banking app. The banking app would've needed her internet banking username and password as a first step. Even if her username had been stored on her device, the password would've had to be entered. Based on Ms M's explanation of what happened before the theft, there is no evidence that she had logged into the Lloyds app. So, I am not persuaded anyone else other than Ms M would've been able to log on to Ms M's Lloyds app, so I think it's likely Ms M had been logging into her online banking herself. And had she not been aware of the disputed transactions, I think she would've reported these immediately.

Ms M was aware she had been robbed and there is evidence that she reported this to the police. But Ms M didn't report this to Lloyds until 14 March 2025, which is unusual. Ms M says the reasons she didn't report this sooner is because she doesn't use this card often, so she didn't realise it was taken. But this is inconsistent with what she told us about using her card and PIN in the supermarket just minutes prior to the theft. And there is also no evidence that she blocked her ApplePay account or her phone after it had been stolen – which is also unusual.

I've also considered the ATM withdrawal amounts and the transactions she disputes. The activity is unusual for fraud and the circumstances around the theft were also unusual. Usually if a fraudster has someone's card and PIN they would withdraw the maximum amount of cash daily to extract as much money as possible before the card is blocked. The spending over several days and cash withdrawals of much less than the daily limits suggest the person using the card knew that it wouldn't be blocked anytime soon.

As set out by the investigator, there is nothing more we would expect Lloyds to have done here as the transactions were not suspiciously out of character to warrant an intervention. The investigator also considered the Service received by Ms M and outlined why she felt £20 compensation was appropriate. Ms M didn't respond with any comments or further evidence on these points, so for the same reasons I think the initial outcome reached was reasonable.

Overall, the evidence does not show that it's likely these transactions were completed by an unauthorised third party. The knowledge of all Ms M's security details, including her online banking details, could not have been compromised in the way Ms M has described in my opinion. And the fact that Ms M didn't report this to her bank or block her phone as soon as it was stolen does not seem to be what a reasonable person would do in the circumstances. So, I am not asking Lloyds to refund these payments as unauthorised.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 21 May 2026.

Sienna Mahboobani
Ombudsman