

complaint

Miss L complains that Lloyds Bank PLC will not refund payments she says she did not make.

background

The payments took place on 8 April 2015. One was for £100, made either by telephone or online before 8 o'clock in the morning, and the other a cashpoint withdrawal of £400 at around noon. Miss L said that at the time her debit card was in her purse in her bedroom. Her father, who represents her in this complaint, said that she was treated badly by Lloyds. He said that it has given inconsistent explanations of why a refund has not been made.

The adjudicator did not recommend that the complaint should be upheld. She said that:

- The chip on the card was read and the correct PIN entered when the cashpoint withdrawal was made.
- This service had not seen an instance of a chip on a card being copied.
- Miss L used the card the following day and this meant that a fraudster would have had to take and replace the card without her noticing.
- Miss L said she had not written down her PIN and, as she had only disclosed it to her father in the past, it was difficult to see how this had been found out.
- Lloyds had to ask Miss L some difficult questions and she could see that this had been upsetting for her.

Miss L did not agree. Her father said that the withdrawal was made while Miss L was at school. There was no explanation why she would travel nearly 50 miles to make a withdrawal. He said that there is information online about cards being cloned. He remained unhappy at the way in which Miss L was treated and that her complaint was not investigated properly by Lloyds.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

This service has not seen instances of the chip and PIN on a card being bypassed in everyday use. And I can see from Lloyds' records that when the other payment was made the correct security code was entered from the back of the card. So to find these payments were unauthorised I'd need to consider all of the following to be more likely than not:

- A fraudster had somehow obtained the card by early in the morning of 8 April 2015.
- That person had found out the PIN and made payments without checking the balance on the card.
- No further attempts were made to withdraw money as might be expected if the card use was unauthorised.
- The card was somehow replaced, without Miss L knowing it had gone, before she used it the following day.

I am afraid that these are not all findings I am able to make on the evidence. I can see that Lloyds was not consistent in explaining why it did not make a refund. At first it said that, as Miss L had disclosed her PIN to family members, she had been negligent. But in its second response it said that it had looked at the wider circumstances. It paid Miss L £50 for the distress and inconvenience.

I think that this was a reasonable way to settle the complaint and I am not going to ask it to do any more.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 30 December 2015.

Michael Crewe
ombudsman