

complaint

Mr P complains that Vanquis Bank Limited will not refund two disputed transactions on his credit card account.

background

Mr P says that someone must have intercepted his replacement credit card and used it to make the disputed transactions. In the circumstances, he does not consider that Vanquis can hold him liable for them.

Vanquis said the transactions had been made by means of Mr P's genuine card and its associated personal identification number ("PIN") and that, in addition, one of the transactions had also used Mr P's personal details. It was not willing to refund the disputed transactions.

As things were not settled, Mr P brought his complaint to this service where an adjudicator investigated it. The adjudicator gathered information from Mr P and from Vanquis, including technical evidence about the card and the transactions.

From the evidence, the adjudicator was satisfied that the disputed transactions had both been made with the replacement card that had been sent to Mr P and with the correct PIN – which had been notified to Mr P over two years earlier.

One of the disputed transactions had been made to an electronics retailer and the adjudicator noted that whoever had made the purchase bought additional insurance cover for the item. The policy was completed with Mr P's correct name and address.

Taking everything into account, the adjudicator considered that Vanquis was entitled to hold Mr P liable for the disputed transactions and so did not recommend that the complaint should succeed. Mr P did not agree and said, in summary:

- He is not sure how he can prove he did not make these transactions – but this is a lot of money for him to lose.
- The card number that is quoted for the transactions is the same as the one that expired in November 2014, so he is confused when the adjudicator says the new card was used.
- He really has no idea how someone could know his PIN. Perhaps hackers took his card and managed to access his PIN from it. Alternatively, they just guessed it.
- If someone took his new card after it was posted to him, they would also have seen his address. The hacker who took his card probably opted to take the extra insurance so as not to seem suspicious. He has been told that this insurance is free, anyway.
- Vanquis should have sent his new card by a more secure method and it did not warn him it had been sent.

- To bring things to an end, he is now willing to pay both transactions – but only if Vanquis refunds all the interest it has charged on them and allows him to repay the balance, interest-free, by monthly instalments of £35.

my findings

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

The disputed transactions involve a withdrawal made from a cash machine and a large retail transaction. The card used to make those transactions had been sent to Mr P at his home address, as the replacement for his expired card. It was the genuine card, and was not a copy.

Mr P says that this must have been intercepted by someone on its way to him, and used by them fraudulently. But the card would not, on its own, have enabled someone to make these transactions. For that, they also needed to have the valid PIN. So, whoever made these transactions had not only Mr P's card but also his valid PIN. That PIN had been set up in 2012 and no PIN reminder had been sent since then.

The PIN is not stored within the card, and so nobody could have got it by electronically examining the card. Mr P has suggested that the PIN may simply have been guessed. But (from the technical evidence) we know that whoever made the transactions did not make any wrong attempts at the PIN – they input it correctly first time. I find it highly improbable that an opportunistic thief would be able to guess Mr P's PIN correctly at the first attempt.

I've also noted what Mr P says about the additional insurance, though I do not agree that declining additional insurance would make someone appear suspicious.

Overall, I have not found Mr P's evidence persuasive. I find, on a balance of probabilities, that he made or authorised the disputed transactions. It follows that Vanquis may hold him liable for them.

As a separate matter, I note that Mr P has recently offered to repay the disputed transactions interest-free by instalments. Vanquis has said that its collections department is willing to discuss repayment terms with him and so I will leave Mr P to contact Vanquis in the matter.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 16 November 2015.

Jane Hingston
ombudsman