

complaint

Mr H complains that Lloyds Bank PLC has refused to refund some disputed transactions. Mr H says he is the victim of fraud and he wants Lloyds to refund the money.

background

Mr H says he contacted Lloyds in April 2017 because he'd noticed some transactions on his current account that he didn't recognise. Mr H told us:

- there was a total of £470 of transactions in April 2017, all to an online gambling company – one that he'd never used.
- he complained to Lloyds and it refunded the disputed transactions to his account, but that several weeks later the bank took the money back out of his account.
- he's never had any dealings with this particular online gambling company and Lloyds won't investigate the matter properly.

Lloyds rejected Mr H's complaint. It says it wasn't able to successfully undertake chargebacks because the online merchant said that the payments were genuine. The merchant explained that the level of personal information needed to complete the transactions could only have come from Mr H. And Lloyds said this was information that wouldn't have been held with his card.

Lloyds also says that the gambling activity contained some 'winnings' – and credits were made back to the Mr H's bank account by the online gambling company. And it didn't think this was the typical behaviour of a fraudster – there'd be no opportunity for a fraudster to benefit from any winnings.

Our adjudicator looked at this complaint and said he thought it shouldn't be upheld. He thought it was reasonable for Lloyds to hold Mr H liable for the transactions that he's disputing.

He explained the rules that govern the *chargeback* process and said he didn't think Lloyds had done anything wrong. He also said that he wasn't persuaded that Mr H's bank card had been compromised – the card never left his sight and no one else had access to it – so he didn't think anyone else had had the opportunity to use it. And he explained that the activity he'd seen wasn't indicative of the usual behaviour of a fraudster.

Mr H disagreed so the complaint comes to me to decide.

my findings

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

I understand how strongly Mr H feels about this matter because the disputed transactions represent a significant amount of money to him. For the purposes of this decision, I don't need to determine who actually made the disputed transactions. Rather, my role is to determine whether Lloyds is entitled to hold Mr H responsible for them. Where there is a

dispute about what happened, I've based my decision on what I consider most likely to have happened, in the light of the available evidence.

Having considered the evidence, I'm afraid I have to tell Mr H that I think the adjudicator has reached entirely the right outcome here. To be honest, there is very little I can add to what he's already told Mr H and I think the adjudicator has set out the position very clearly.

I've looked at what Lloyds did once Mr H contacted it and I'm satisfied the bank did what it should've done – it started the *chargeback* process. And it cancelled the payments from Mr H's account while it investigated the transaction with the third party. This meant that Mr H wasn't out of pocket whilst the investigation was taking place.

Chargeback is a process under card scheme operating rules which allows a card issuer – in this case Lloyds – to reclaim debit card payments made by its customer from the bank of the person who received the payment.

We generally consider that, as a matter of good practice, the card issuer should attempt a chargeback if the card holder has challenged a transaction *and* - taking into account relevant card scheme rules – it looks as if there's a fair chance that a chargeback request might succeed. But just because the customer makes a request it doesn't mean that the chargeback will necessarily succeed. This is because the rules lay down strict conditions which must be satisfied for a chargeback claim to succeed.

Lloyds says that the third party merchant provided evidence that the payments were genuine and authorised by Mr H. The payments were linked to a gambling account in his name and were registered with Mr H's contact information. So I don't think Lloyds did anything wrong when it held Mr H liable for these transactions and it would be unfair for me to ask it to reimburse the money.

And Mr H told us that he hadn't lost or mis-placed his debit card – it never left his sight – and no one else would've had access to it – in which case I think it's more likely than not that he authorised or consented to the transactions.

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 Mr H to accept or reject my decision before 9 November 2017.

Andrew Macnamara
ombudsman