

Complaint

Mr S has complained that Barclays Bank UK Plc won't refund payments to an online casino, which he says he didn't make.

Background

Mr S has an account with an online casino. I will refer to the casino as the 'merchant'.

He said the merchant took payments of around £4,000 from his bank account from December 2013 to January 2014. He said he didn't authorise these payments.

Below is a list of transactions he made to the merchant made during this period.

Date of transaction	Time	Disputed/ Genuine	Statement Date	Amount
26 December 2013	05.15.46	genuine	30 December 2013	£50.00
26 December 2013	05.25.06	genuine	30 December 2013	£50.00
28 December 2013	07.32.15	genuine	31 December 2013	£50.00
28 December 2013	07.36.55	genuine	31 December 2013	£50.00
28 December 2013	07.38.46	genuine	31 December 2013	£100.00
28 December 2013	07.40.13	genuine	31 December 2013	£200.00
29 December 2013	07.42.43	genuine	2 January 2014	£100.00
2 January 2014	20.32.42	disputed	6 January 2014	£100.00
2 January 2014	20.36.27	disputed	6 January 2014	£100.00
2 January 2014	20.37.34	disputed	6 January 2014	£200.00
2 January 2014	20.42.05	disputed	6 January 2014	£500.00
2 January 2014	20.45.47	disputed	6 January 2014	£500.00
2 January 2014	20.47.17	disputed	6 January 2014	£500.00
3 January 2014	08.59.51	disputed	6 January 2014	£500.00
3 January 2014	09.14.28	disputed	6 January 2014	£1000.00

What Mr S told us

Mr S told us he'd downloaded the merchant's app to his mobile phone and had placed bets during December 2013.

He stopped playing after he'd won £1,146. He withdrew his winnings on 3 January 2014 and logged out of the app. He said he returned his phone to his pocket. The disputed payments were made after he'd logged off.

He told us he'd had friends over at the time, but none of them would've used his phone to place the bets.

He also said he hadn't revealed his username or password for his account with the merchant to anyone else and he didn't keep a written record of it. He said his mobile phone was password protected with a four-digit code. He hadn't shared his password with anyone else but someone known to him might know it, as he'd had the same password for around two years.

He said he didn't make the disputed payments to the merchant. He asked Barclays for a refund.

Barclays' response

Initially, Barclays couldn't find the transactions to the merchant. This was because the merchant used a payment platform, 'Aquapay.' It advised Mr S to contact the merchant directly, which he did but without success. After three years, Mr S contacted Barclays again. However, Barclays didn't investigate his fraud complaint because of a mix up with another merchant. It did pay him £115.00 compensation for his travel and call costs.

Mr S wasn't happy with this outcome and so he brought his complaint to this service.

Eventually, this service identified that the disputed payments had been made to Aquapay.

After further investigations, Barclays decided not to refund Mr S.

It believes he authorised the transactions. It says the merchant's evidence shows that:

- the bets were placed from his account with the merchant
- his log in details were used to access the account
- the log in was from the same IP address as the one used for genuine transactions
- the CVV number from his debit card had been entered
- the merchant paid winnings into his bank account.

Adjudicator's view

An adjudicator looked into his complaint and decided not to uphold it. She concluded that, he'd authorised the payments and Barclays was entitled to hold him liable for them. Her reasons are set out in her lengthy view, which both Mr S and Barclays have seen so I won't repeat them here.

She also considered that the compensation payment was reasonable in the circumstances.

Mr S disagreed with the adjudicator's view. He's asked for an ombudsman's final decision.

Evidence I've seen

- Barclays' investigation notes
- Bank statements
- Screenshots of the electronic audit trail for all transactions to the merchant showing:
 - genuine payments
 - disputed payments
 - winnings
 - IP addresses
 - device ID.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've decided not to uphold the complaint, for broadly the same reasons as those given by the adjudicator.

In short, Barclays is required to refund the amount of an unauthorised transaction. The relevant regulations, to this effect, are the Payment Services Regulations 2009 (the PSRs

2009). Mr S says he didn't make the disputed payments to the merchant and he wants Barclays to refund him. So, my primary concern is to come to a view about whether or not I think he authorised the payments.

The merchant's reports show that the transactions were made from Mr S's mobile phone and with his debit card. The merchant has also sent us its instructions for making a deposit in the account. These confirm that the CVV number must be entered for each deposit, (that's the three-digit number on the back of a debit or credit card). Based on this evidence, I'm satisfied that the disputed transactions were authenticated.

So now, I need to think about whether it's more likely than not that Mr S authorised the disputed transactions.

Mr S admits he has an account with the merchant and that he has the mobile app on his phone. The notes from the merchant say he registered with it on 26 December 2013. He'd also registered his debit card with the account.

The audit trail shows he used his card to make deposits into his account with the merchant from his bank account. The deposits are shown in the table above. Mr S doesn't dispute the payments he made from 26 to 29 December 2013.

The audit trail also shows that he'd instructed the merchant to pay the winnings back to his card on the following dates:

Date	Time	Winnings
31/12/2013		£126
31/12/2013		£400
01/1/2014		£720
02/1/2014		£2,550 – instruction cancelled on 3/1/2014

So, it's clear he had an account with the merchant, he made deposits, he played games and won and he'd transferred some of his winnings back to his bank account.

It's important I set this out because the evidence, which links him to the genuine payments, also links him to the disputed ones. And from what I've seen, I don't think it's unreasonable for Barclays to conclude that Mr S authorised the transactions. This is because:

- the merchant's evidence shows the same mobile device was used to log in to his account when both the genuine and disputed payments were made. This was an iPhone. Mr S confirmed he'd been using his iPhone to place bets. I consider it's more likely than not that his phone was used for the disputed payments
- the evidence also shows that the logins for the disputed payments were made from the same IP addresses as those used for genuine ones
- the correct username and password were used to access the account with the merchant. The merchant confirmed it doesn't allow 'auto login' and these details must be entered each time a customer logs in

- the same game was played for all bets – European Roulette
- the CVV number on the back of Mr S's debit card was entered for each deposit
- transfers totalling £4,500.00 were made from Mr S's savings account to his current account on 3 January 2014. He used this money to fund the bets.

I have considered whether a third party made the disputed transactions but I don't think this is what happened. A third party would've needed to get hold of Mr S's phone to make the bets. They would also need to know his four-digit code for his phone, his username and password for the account with the merchant and the CVV number on his debit card. Mr S told us that he hadn't shared this information with anyone else, although he thought someone close to him might know his phone password. However, he hadn't reported his phone as missing and even if someone had taken it, there is still no explanation for how a third party would know his account details. Also, he hadn't reported his debit card as missing.

Similarly, it's unclear how a third party would benefit from placing bets on his account as the merchant paid winnings into his bank account. I understand there are some online casino games, which may be exploited by fraudsters to gain access to other players' funds, but European Roulette isn't one of them.

For these reasons, I think it's unlikely that a third party made the disputed payments. And the evidence of the transfers from Mr S's savings account into his current account demonstrates it's more likely he authorised the payments.

The only other explanation – and one that Mr S originally suggested – is that the merchant either made a mistake or acted fraudulently. However, I can't see any evidence of error or fraud by the merchant.

On balance, and after considering everything, I find that Mr S authorised the disputed payments and that Barclays is entitled to hold him liable for them. I won't be asking it to refund him. And I agree with the adjudicator that the compensation that he's already received is fair and reasonable in the circumstances.

I'm sorry to send disappointing news, especially after a long wait. I am very grateful to Mr S for his patience while we looked into his case.

My final decision

My final decision is that I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 January 2020.

Razia Karim
ombudsman