

complaint

Mrs M's complained the Royal Bank of Scotland Plc ('RBS') won't refund disputed transactions on her account.

background

Mrs M's complained that an unknown third party opened an online bingo account in her name. The third party registered three debit cards, which she'd reported as lost or stolen, to the account. A total of £2,013.01 was deposited into the account.

Mrs M said she didn't open the account or authorise the deposits. She asked RBS to refund the money.

It refused to refund the money because:

- three new debit cards in her name were registered to the account
- she'd accepted credits into her account
- the same IP addresses were used to log on to the bingo account and her online bank account.

Mrs M wasn't happy with this response and so she brought her complaint to this service.

Our adjudicator thought RBS's decision was a fair one, based on the evidence.

Mrs M disagreed. She said RBS and our adjudicator mixed up information from her other online accounts and got the facts wrong. And she's said there were other disputed transactions on her account, proving someone else had used her cards, and that's why they were replaced.

She's asked for an ombudsman's final decision.

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'm afraid I won't be asking RBS to refund her. I'll explain why

Mrs M had three accounts with this particular website. There has been a mix up over some of the details, and I'm sorry about that, but it hasn't affected my decision.

I've only looked at what I'll call the 'LG' account because that's the one Mrs M denies knowing anything about.

The LG account was opened on 18 September 2016. The account provider, which I'll call J, said it successfully verified her name, address and date of birth using a credit reference agency. Whoever opened the account gave the same email address she was using at the time. I've seen this address in the email correspondence with J, which she's sent this service.

J closed all her accounts on 23 October 2016, after she'd reported the fraud.

The deposits into the LG account were authorised by three new debits cards. Each card was a replacement for a card which she'd reported as stolen or lost:

- card A was ordered on 3 August. She reported it lost on 28 September.
- card B was issued on 28 September. She reported it stolen on 6 October.
- card C was issued on 7 October. She reported it stolen on 24 October.

RBS posted each card to her home address. It didn't send a new PIN but the records for her online account shows she'd set up a new PIN on 18 August and changed it on 28 September, which wouldn't have been surprising if she'd lost her cards.

The cards were registered with J before they were reported as stolen or lost. Cards B and C were registered on 30 September and 8 October respectively - within a day or two of RBS posting them out.

I can see from her bank statements that she used her cards to authorise other online payments. She's disputed some but not all these transactions, so I think she must've set up the non-disputed payments and had the card with her when she did this.

The bank statements also show she'd used card A in shops and to get cash from a local supermarket, the day after the LG account had been opened. And she'd used card C at foreign ATMs, when she was on holiday, after it'd been registered on the LG account. She hasn't disputed these transactions.

So, if her version of events is true, it means a stranger removed a debit card from her possession, registered it on the LG account and then returned it without her noticing on three occasions. She's not said how a stranger could've done this. And she's not reported any interference with her post.

I'm afraid I just don't think this is a plausible explanation for what happened. The only other scenarios are that she opened the account and made the deposits, or someone she knew did.

RBS said she must've known about the LG account because J paid her two credits for £1,800 and £250. In fact, the credit for £1,800 was paid from another account with J, before the LG account was created. But she did receive £250 from the LG account.

Mrs M said she queried the £250 credit and J took it back. She's sent an email from J confirming this. But this was done after she'd reported the fraud.

Anyway, as our adjudicator's said, it's unlikely that an unknown third party would've set up a fraudulent account and then arrange for the winnings to be paid to Mrs M's bank account. It makes no sense for a fraudster to do this.

The log in records also show that the same four IP addresses were used to log on to her online bank account and the LG account between 17 and 26 September on the same days and roughly the same times.

Mrs M's sent me copy of a letter from her internet service provider showing her IP address. It's different from the ones shown in the records. Unfortunately, I can't consider this letter because the date, the company's letterhead, signature and customer's details are missing. I've asked her to provide a complete copy but she hasn't.

But even if she had another IP address, it still doesn't explain how a stranger was able to log on to her online bank account. And I'm afraid that's one of the major weaknesses with her complaint. Whoever logged on to the LG account, also logged on to her online bank account. This means the person knew her personal banking details yet she's said she didn't share it with anyone else. And she's not complained about unauthorised access to her online account.

Based on all the evidence, I think it's more likely Ms M opened the LG account and made the deposits or someone she knows did it.

I realise she's said she was out of the country when some of the deposits were made. And there's evidence supporting this. But it's possible she logged on from abroad or someone she knew logged on from the UK. That person wouldn't have needed her card to make the deposits as it was already registered to the account. Besides, I think the other evidence outweighs what she says about being abroad.

Mrs M's also said RBS has refunded other disputed transactions and this proves she's been the victim of fraud. Since those transactions were refunded I haven't looked into them so I can't say why RBS refunded them. But just because it has, doesn't mean it should do so now, especially not where there's strong evidence to connect her with the LG account.

Lastly, and for the sake of completeness, I don't think there was any reason for RBS to be suspicious about the payments to the LG account. They were consistent with the way she'd been using her bank account and she had other accounts with J.

Given these circumstances, I won't be asking RBS to refund the money.

I'm sorry this will be disappointing news for Mrs M, especially as she's going through a difficult time right now, but I hope the reasons for my decision are clear.

my final decision

My final decision is I won't be asking the Royal Bank of Scotland Plc to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 5 June 2017.

Razia Karim
ombudsman