

complaint

Mr L complains that he did not authorise two payments which have been taken from his accounts with Lloyds Bank plc (previously Lloyds TSB Bank plc).

background

Mr L was on holiday overseas with his wife in December 2014. His wife bought a tablet computer for the local equivalent of £263.51 using a credit card with a different bank. Mr L then used his debit card to buy an additional memory chip and a “dongle” (an internet access device). He appears to have been the victim of a scam because payments of £3,507.43 and £3,123.60 (plus transaction fees) were taken from his debit and credit card respectively. He complained to Lloyds that he had not authorised the payments. He was not satisfied with its response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. He concluded that the payments had been authorised by chip and PIN. He considered that Lloyds had been fair and reasonable and had followed the appropriate steps when addressing Mr L's complaint.

Mr L has asked for his complaint to be considered by an ombudsman. He says, in summary, that he did not authorise payments of those amounts and that Lloyds should look at his complaint more than just determining it based on chip and PIN. He says that he was persuaded to make payments so that direct debits could be set up and that he was told that the payments would be refunded to him.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr L accepts that he received an additional memory chip and a dongle and that he provided his debit card to the supplier so that the payments could be made. He says that he was told that the payments were being made so that direct debits could be set up and that he would receive a refund of the payments. This appears to have been a scam for a number of reasons: direct debits were not set up; he did not receive a refund of the payments; and it seems unlikely that the goods had a value anywhere near the amounts that have been taken from his account.

But the payments were made using the chips in Mr L's cards and the PINs for those cards. When he used his debit card and entered his PIN he was authorising the payment that was made from his debit card account. And although Mr L says that he did not use his credit card or enter the PIN for that card, Lloyds has provided information to show that the credit card and PIN were used to authorise that payment (and that the PIN for his credit card was different to the PIN for his debit card). Mr L may have believed that the payments were to be refunded to him but I find it to be more likely than not that he did authorise the payments. As Mr L had authorised the payments, Lloyds was required to make the payments – and it did so in accordance with the instructions that it had received. As the payments had been authorised by chip and PIN there was no reasonable prospect of a chargeback claim being successful.

It is unfortunate that Mr L has been the victim of a scam but I do not consider that Lloyds has acted wrongly. So I find that it would not be fair or reasonable for me to require it to refund the payments to Mr L or to take any other action in response to his complaint.

my final decision

For these reasons, my decision is that I do not uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr L to accept or reject my decision before 29 December 2015.

Jarrold Hastings
ombudsman