

## **Complaint**

Miss E complained because National Westminster Bank Plc refused to refund a number of debits to a betting firm. They were for around £6,500, and Miss E said she hadn't authorised them.

## **Background**

Starting on 5 May 2017, around £6,500 was debited to Miss E's NatWest account in favour of a betting firm. There were 217 transactions, all authenticated using Miss E's debit card.

On 11 June, NatWest became suspicious of the transactions, and blocked Miss E's card. NatWest tried to contact Miss E, but the mobile numbers and email address it held for her didn't work. After two weeks, the bank unblocked the card.

On 18 September, Miss E rang NatWest. She said her ex-partner had been using her card, which he'd done before with another of her accounts at a different bank. She told the NatWest adviser that she used the account for savings, and hadn't been checking it. NatWest said it would cancel the card and send her a replacement. It asked Miss E for a list of which transactions she disputed.

NatWest investigated, but didn't accept Miss E's claim that the disputed transactions should be refunded. Miss E felt her card should have been stopped earlier, but NatWest said that the reason why it hadn't done this was that all the transactions had been made using Miss E's genuine card. The bank pointed out that when Miss E had phoned on 18 September, it had stopped the card straightaway, and sent a replacement the next day. NatWest also noted that Miss E believed that her ex-partner was responsible. It said that was a civil dispute, not something the bank would refund.

Miss E wasn't satisfied and complained to this service. She told one of our investigators that she'd never used the betting firm, or any gambling websites. She also said she'd never used online banking or mobile banking. Miss E said she usually checked her balance over the phone about once a month, though she hadn't done during this period. She also told the investigator that she'd contacted the betting firm, which had said the account had been opened in her name. The betting firm wouldn't refund her either.

The investigator didn't uphold Miss E's complaint. He obtained information from NatWest and also from the betting firm, including some call recordings. He said these showed that Miss E had initially told the betting firm that some transactions on the betting accounts in her name were genuine, but most had been done by her ex-partner. But when passed to the betting firm's fraud team, she'd said that none of the transactions were hers.

In the call recordings, the betting firm had asked Miss E why it had taken her so long to notice the transactions. She said she'd noticed some on an account with another bank, but hadn't noticed on her NatWest account which she said was a savings account. Miss E told the betting firm that she'd reported her ex-partner to the police about transactions in the past, and was going to report him about the NatWest ones.

Also in the calls, the betting firm had also told Miss E that the transactions had been done using Miss E's card and the security number on the back of the card. So the transactions must have been done by someone close to her. And the IP address – the number identifying the computer location - had shown that the transactions had taken place in the area where

Miss E lived. That IP address matched the one which had been used when Miss E had set up online banking with NatWest in April 2017. The betting firm told Miss E that it wasn't liable if someone had taken her details, and she'd have to go to the police. It told her that all the betting accounts in her name had been closed in June 2017, but it wasn't going to refund the transactions.

Our investigator also considered the electronic evidence which NatWest had provided, showing how the transactions had been made. Miss E had said that other transactions at a similar time had been genuine – and the same card details had been used for those, as for the disputed betting transactions. There hadn't been any attempts to use the card which had failed because of incorrect information being entered. And the correct three digit security code on the back of the card had been used on at least two occasions. The information used to set up the account with the betting firm had been genuine, with address, phone number and email address matching those on NatWest's records and another bank's records.

The investigator didn't think an opportunistic fraudster had taken the card and replaced it without Miss E's knowledge. Nor, after considering the evidence, did he think it likely that someone known to Miss E had carried out the transactions. So he concluded that Miss E had authorised the transactions.

Miss E sent a detailed reply to the investigator's view. Among other points, Miss E said:

- she'd never set up online banking with NatWest;
- she'd known there were other accounts in her name with the betting firm, but they were for smaller amounts, and she'd asked the police to investigate this;
- the reason she hadn't disputed the NatWest transactions earlier was that it was just a savings account;
- she believed her ex-partner had copied the details on her card. Miss E said they'd never lived together because he was a gambling addict and he'd been involved with the police many times;
- she thought it was irrelevant who had committed the fraud but NatWest had a duty to protect her money and hadn't done so.

## **My findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Miss E has raised multiple points in her submissions to this service. I've understood and looked into all of these, but I've commented on what I think is vital to my conclusions.

The relevant regulations for Miss E's complaint are the Payment Services Regulations 2009. These set out that the payment service user (Miss E) is liable for transactions that were authorised, and NatWest for transactions that weren't authorised. So the issue for me to determine is whether or not Miss E authorised the transactions.

Having considered all the evidence, I've concluded that Miss E did authorise the transactions, because:

- The same card details were used for the transactions which Miss E said were genuine, and for the betting firm ones which she said weren't genuine. On at least two occasions, this included the three digit security code on the back of the card. I consider this means it's likely that the person who used the card would have had it with them when they made the transactions. Miss E originally told us that her ex-

partner only had access to her home in July 2017. But the disputed transactions took place earlier than this, in May and June, not at the time when she said he ex-partner had had access to her home.

- Miss E didn't report and dispute the transactions in May and June until mid September. She's said this was because it was a savings account – but she also told the investigator that she normally checked monthly but hadn't done so. It's up to customers to take responsibility for monitoring their own accounts. And I find Miss E's statements particularly surprising, because in her phone calls to the betting firm she claimed her ex-partner had done this before. In such circumstances, I'd have expected her to keep a particularly close watch on her card, and to monitor her bank accounts rigorously, if she hadn't made the transactions herself.
- The IP address which was used for the betting firm transactions was the same as that used for the transactions Miss E accepted as genuine. So these activities took place in the same geographical area, and probably from the same device.
- The IP address used was also the same as that which had been used to set up online banking on Miss E's NatWest account in April 2017. I recognise that Miss E told our investigator that the online banking hadn't been set up by her. On balance, I consider it's likely that Miss E set up online banking, rather than her ex-partner had fraudulently set up online banking on her account. She's repeatedly said that they'd never lived together, and she initially said it was only in July 2017 that he might have had access to her home as he was helping her at that time. Apart from her six children, Miss E lived alone.
- As well as the security codes being correct, the security answers provided when the card was used on betting had also been correct. Anyone who'd carried out the transactions without Miss E's consent would have needed many things: repeated access to the same IP address; all Miss E's personal details including security questions; email address and passwords; and access to the other three bank accounts registered on the betting firm account in Miss E's name. Given that Miss E has said her ex-partner never lived with her, and that they never had any joint finances, I consider it's unlikely that he or any other third party would have had access to this information unless Miss E had willingly allowed him to make the transactions.

Taking all these factors into account, I believe it's more likely than not that Miss E authorised the transactions to the betting firm herself. So I don't uphold her complaint that NatWest should refund her the money.

### **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 Miss E to accept or reject my decision before 30 October 2019.

Belinda Knight

**Ombudsman**