

## **complaint**

Ms P complains that Lloyds Bank PLC has refused to refund some disputed transactions. Ms P says she is the victim of fraud and she wants Lloyds to refund the money.

## **background**

Ms P says she contacted Lloyds in April 2017 because she'd noticed some transactions on her current account that she didn't recognise. Ms P told us:

- there was a total of £442.50 of transactions between January and March 2017, all to an online company – one that she'd never used.
- she complained to Lloyds and it refunded the disputed transactions to her account, but that several weeks later the bank took the money back out of her account.
- she's never had any dealings with this particular online gambling company and Lloyds won't investigate the matter properly.
- the service she's received from the bank has been very poor.

Lloyds rejected Ms P's complaint. It says the disputed transactions were charged to Ms P's account during January, February and March 2017, and when she complained, the bank re-credited her account with the money while it investigated the merchant and the payments that had been taken.

It says it sought a refund for Ms P using the VISA chargeback scheme and that it followed the process correctly. It says that in these situations, the consumer is refunded the disputed payments immediately so that they aren't out of pocket whilst the bank investigates the matter. But it says Ms P was told that the amount could be re-debited if it transpired that the transactions were genuine.

Lloyds 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 Ms P. And Lloyds said this was information that wouldn't have been held with his card.

Our adjudicator looked at this complaint and said she thought it shouldn't be upheld. She thought it was reasonable for Lloyds to hold Ms P liable for the transactions that she's disputing.

She explained the rules that govern the *chargeback* process and said she didn't think Lloyds had done anything wrong. She also said that she wasn't persuaded that Ms P's bank card had been compromised – the card never left her sight and no one else had access to it – so she didn't think anyone else had had the opportunity to use it. And she said that based on what she'd seen – she didn't think the service Ms P had received from the bank had been poor.

Ms P disagreed so the complaint comes to me to decide.

## **my findings**

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

I understand how strongly Ms P feels about this matter because the disputed transactions represent a significant amount of money to her. 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 Ms P 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.

I've looked at what Lloyds did once Ms P 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 Ms P's account while it investigated the transaction with the third party. This meant that Ms P wasn't out of pocket whilst the investigation was taking place.

Chargeback is a process under card scheme – here, Visa – 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 were authorised by Ms P. We asked the bank to share this paperwork with us and it did. I've looked at it very carefully and I'm satisfied that the payments are genuine.

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

I know my decision will be disappointing to Ms H, but I hope she understand my reasons for rejecting her complaint.

## **my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms P to accept or reject my decision before 13 November 2017.

Andrew Macnamara  
**ombudsman**