

complaint

Mr A complains that Vanquis Bank Limited won't refund disputed card transactions totalling more than £650, that he says he neither made nor authorised.

background

Between 22 and 27 December 2017 Mr A's Vanquis credit card was used to make eight payments that he says he didn't authorise. Three of those were contactless payments, and Vanquis refunded them (no doubt because it was itself able to obtain refunds from the merchants concerned). But the others were, Vanquis said, made using Mr A's genuine card and its associated PIN. Vanquis said this indicated that it was more likely than not Mr A who made them. It didn't think there was any other reasonable explanation as to how someone acting without Mr A's knowledge or authority could have obtained both his card and PIN. It pointed out too that, both during and immediately after the disputed transactions, there had been successful log-ins to Mr A's account using the mobile app installed on his phone.

Vanquis refused to refund the transactions that Mr A was disputing and so he referred the matter to this service, where one of our investigators considered it. He was however broadly in agreement with Vanquis and concluded that it was likely that Mr A had carried out the transactions himself. Mr A asked that an ombudsman review the investigator's findings.

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, however, I've reached the same overall conclusions as the investigator did, and for similar reasons.

Vanquis has provided sufficient evidence to satisfy me that the payments were made using the genuine card and PIN. The PIN isn't recorded on the card in an unencrypted format, and I think it unlikely that anyone could have guessed it correctly. It also seems unlikely that someone saw him using the PIN and then took his card, since the last time he used it before the disputed transactions was two weeks earlier. I must consider therefore how someone else could have obtained both the card and PIN.

Mr A has been unable to provide very much detail about the circumstances in which his card went missing. He says his girlfriend would sometimes have friends to visit when he wasn't at home, and that he didn't always take his Vanquis card with him, but he couldn't definitely point to an occasion or event when the card went missing.

When Mr A initially contacted Vanquis about the payments, he said that he didn't have a record of his PIN; he used the same PIN for all his cards. But he later said that he might have kept the original PIN notification and left it with, or near, the card. Like the investigator, I think Mr A's initial account of events – when he said he threw away the PIN notification – is more likely to be correct. That being so, there doesn't appear to have been any realistic opportunity for someone to have obtained both the card and PIN without Mr A's authority.

As Vanquis noted, its mobile app was used on several occasions at the time of the disputed transactions. Mr A says that he sometimes let friends borrow his phone and told them his passcode, which is the same one he uses to access the Vanquis app; they might have been able to log in that way to find out how much credit was left on the card.

Whilst I can't completely rule out any of this, I think it unlikely that someone found Mr A's card when it wasn't with him, found his PIN notification (which he initially said he had thrown away) and managed to use his phone and successfully access the Vanquis app – all without him knowing.

I should also mention that all three retailers involved were places where Mr A had spent money previously. That's not particularly significant in my view; but Mr A initially said of one of them that he didn't recognise it at all.

I think it's more likely than not that Mr A made the payments himself; in the circumstances, it wouldn't be fair to require Vanquis to refund them.

my final decision

My final decision is that I don't require Vanquis Bank Limited to do anything more to resolve Mr A's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 November 2019.

Michael Ingram
ombudsman