

## **Complaint**

Mr S complains that Vanquis Bank Limited debited his account with a series of card payments totalling £74.95 which he says he didn't make or otherwise authorise. Some of these payments have been refunded through the chargeback process, so £44.97 remains in dispute.

## **Background**

In May 2018 Mr S contacted Vanquis to dispute five monthly payments of £14.99. These payments were made to a third party business that provides credit history reports, by way of a continuous payment authority. Vanquis provided a refund and got in touch with the third party business to request a chargeback.

In July 2018 the third party business disputed three of the five requests for a refund via chargeback, amounting to £44.97. They provided evidence that an account had been set up in Mr S's name and using his details. Vanquis said given this, they couldn't see what benefit a third party would gain by accessing and viewing Mr S's personal credit reports, so reapplied the £44.97 to his credit card account.

Mr S was also unhappy with the customer service provided by Vanquis whilst he was disputing these transactions and raising this complaint. Vanquis agreed Mr S hadn't always received the level of customer service they would expect so offered £75 in total to put things right.

Mr S was unhappy with this resolution, so he came to our service. Our investigator looked into things and recommended that Vanquis didn't need to do anything to put things right. He didn't think it was likely that another person would have been able to access Mr S's personal details and credit card details and would use these to sign up for a service that would only benefit Mr S. So he felt on balance it was most likely Mr S signed up to the website and authorised the transactions. He also felt the third party business website was suitably clear as to the fact payments would be made, when they would be taken, the amount they would be for and what service would be provided in line with guidance from the Office of Fair Trading.

Mr S didn't agree – he continued to dispute the payments. He felt if he had authorised them he wouldn't have received a partial refund and was still unhappy with the resolution regarding the customer service he received. Because Mr S disagreed, it has come to me to make a 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, my review of the evidence has led me to the same overall conclusions as the investigator previously set out and for much the same reasons.

Generally, Vanquis can hold Mr S liable for the disputed transactions if the evidence suggests that it's more likely than not that he authorised them himself. Having reviewed the evidence I'm satisfied that Mr S's genuine credit card details including the CVV code were entered to enter into a continuous payment authority with the third party business. This only needs to be entered once but provides sufficient authentication for agreed future payments.

But according to the relevant regulations, this alone is insufficient to enable Vanquis to hold him liable. So I need to consider whether I think the evidence shows it is more likely than not that he consented to the payments being made.

Having reviewed the evidence, I think it's reasonable for Vanquis to conclude that Mr S authorised the transactions. This is because:

- The disputed transactions were made using Mr S's genuine card details, but Mr S hasn't told us the card was ever out of his possession. Whilst I accept it's possible, I'm not persuaded it's the most likely explanation here that an unknown person took Mr S's card and then returned it to him without him noticing.
- I say this because it also seems unusual that an unknown person would return the card after taking his details, sign up to a service that would allow them to see Mr S's credit history, and make no further attempts to use the card details.
- Further, the details used to set up the account with the third party business including name, address, date of birth and email address match those held by Vanquis and those Mr S provided to this service. I find it unlikely that an unknown third party would have been able to access all of these details. It would also be unusual for an unknown third party to use all of Mr S's correct details to view his credit history. I cannot see how this would benefit anyone other than Mr S. It would also risk alerting Mr S to any fraudulent activity if the third party business contacted him.
- Mr S feels the partial refund supports his suggestion that he didn't make these payments. However, the partial refund through the chargeback process was due to the third party business only challenging three of the five payments. This doesn't support or undermine Vanquis holding Mr S liable for these payments and so doesn't impact my thinking on the matter.

As I am satisfied that it is most likely Mr S authorised these payments, I've considered whether the third party business acted in line with the Office of Fair Trading (OFT) Guidelines relating to 'continuous payment authorities'. This says that the website needs to be clear that payment would be taken from Mr S's card, how much that payment would be and when that payment would be taken. Having reviewed this evidence, I think the third party website was sufficiently clear and acted within the OFT guidelines.

Having reviewed the customer service provided by Vanquis I do agree there were some shortcomings, but I feel the offer of £75 is appropriate to address these.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 October 2019.

Katherine Jones  
**ombudsman**