

complaint

Mr R complains that Lloyds Bank PLC won't refund to his account transactions that he says he didn't make or authorise.

background

Between March 2015 and June 2015 a number of online gambling transactions were made from Mr R's account, with more than one replacement card. Mr R says that he didn't make or authorise these transactions and he wants Lloyds to put the money back. Mr R's account was defaulted and he says he wasn't given any notice of this. He also wants his credit file to be amended.

Lloyds refused to refund the transactions; it says it has enough evidence to suggest that the transactions weren't fraudulent. It agreed that it hadn't handled Mr R's complaint well and had made some mistakes when re-debiting amounts, where Mr R raised multiple chargebacks. It paid £300 compensation for this.

Our adjudicator looked into Mr R's complaint. But she didn't think Lloyds should refund the money. She didn't think the evidence indicated fraud because;

- the disputed transactions happened on a number of new replacement cards.
- evidence from one of the gambling websites shows that an account was opened in 2014 using Mr R's provisional licence for ID.
- there are a number of debits on the account which match credits going into the account.
- the statements show multiple undisputed payments, going to a payment website, which takes payment for the same online gambling websites, that the disputed transactions were made to.

Mr R didn't agree with the adjudicator. He asked for an ombudsman to review his complaint.

my findings

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

Mr R has raised a number of points relating to his complaint, but I will not be responding to every point. My role is to focus on those issues which I think affect the outcome of the complaint.

disputed transactions

I can see why Mr R feels very strongly about this. There's a lot of money involved. But I have to tell him that I think that our adjudicator was right.

There's not much I can add to what the adjudicator has already said. But I also think it's unlikely that a fraudster would've transferred money between Mr R's accounts and then used it for online gambling. There wouldn't be any benefit to the fraudster, as the money could be lost and any winnings would return to his account. I think it's more likely that a fraudster would withdraw money and benefit directly.

I know Mr R has concerns about Lloyd's investigation, but from the evidence I have seen. I think it's much more likely that Mr R made these gambling transactions himself. I recognise this is a difficult message – but it's what I think is most likely to have happened. It follows that I don't think Lloyds has to refund the money.

customer services

Mr R says that his account was defaulted for wrong amount and he is unhappy with the way Lloyds handled its investigation. He says that it didn't provide him evidence to show that he was responsible for the disputed transactions when he requested it.

I can see that Lloyds made some errors when it was re-debiting Mr R's account. It has now addressed this by reducing the outstanding debt balance to the correct amount. Overall, I don't think Mr R received the level of customer services he should have expected, when he disputed the transactions. Lloyds accepts this and has paid £300 compensation.

In the circumstances, I think the compensation is fair and I don't think Lloyds has to do anything else.

I accept what Mr R says about not receiving the default notice, but I'm satisfied from Lloyd's records that the business sent a final demand letter in September 2015.

Mr R says that Lloyds agreed to put a 90 day hold on his account during its investigation, but his account was still passed to collections. Lloyds have advised that a 90 day hold was placed on the account, but that this wouldn't stop collection activity. As when an account goes over its agreed overdraft, it automatically transfers to the collections department.

I can see that a 30 day hold was agreed on further action in July 2015. When this ended the account was passed back to collections and was later defaulted. I don't think that Lloyds has made a mistake in the way it handled its collection activity on the account.

my final decision

I don't uphold this complaint and don't require Lloyds Bank PLC to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 25 August 2016.

Karen Dennis-Barry
ombudsman