

complaint

Mr P complains that TSB Bank plc didn't stop a pending debit card payment when he asked them to and haven't refunded the money to him. He says the payment was made fraudulently.

background

Mr P says that in July 2016 he noticed a payment to an online gambling website for £2000 made on his account. He had an account with the website but says he didn't make that transaction. He contacted TSB and asked them to stop the payment because he hadn't authorised it. They weren't able to do that and the payment went through.

Mr P asked TSB to refund him because he said the payment had been made fraudulently. He says he was away from home and couldn't have made the payment as alleged. He says others had access to his house and he'd left his debit card there when he went away.

After investigating, the bank declined to refund the payment and didn't uphold his complaint about what had happened. Mr P then came to our service.

The adjudicator thought that it was reasonable for the bank not to stop the payment and not to refund the money after they'd investigated. Mr P thought this was wrong and the complaint came to me.

my findings

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

I realise that Mr P feels upset because he's a longstanding customer of the bank and he doesn't think they've acted fairly. However, I'm afraid that I agree with the decision of the adjudicator. I'll explain why. I've separated the issues to make things clearer.

stopping the original payment.

Mr P spotted the disputed payment before it had been made, but while it was marked as a pending transaction. The money for a debit card payment would normally be debited from the account on the day the transaction is made. In this case, I can see the transaction took place on a Sunday - a non-working day. This meant the money was reserved to complete the transaction on the next working day. That's why it showed as pending. If the payment had been made on a working day then, in all likelihood the payment would have been made right away.

I know Mr P thinks that the bank should have been able to stop the payment going through because the money was still in his account but I don't agree. Debit card payments in the UK are treated as guaranteed payments, like cash, so that retailers or suppliers know they have been paid before they release goods or provide a service. Once made, the transaction generally can't be stopped.

I know this is disappointing for Mr P but I don't think the bank did anything wrong when they allowed the payment to go through.

refund of the disputed payment

I don't need to decide who made the disputed transaction. I only need to consider whether it was fair and reasonable for TSB to hold Mr P liable for it. Because the payment was made from a credit balance on his bank account, TSB can only hold him liable if he authorised the transaction or it was made possible because he was sufficiently negligent in his care of his card or security details.

The website to whom the payment was made has said that whoever made the transaction would have had to go through a number of verification checks. I'm satisfied that whoever made the transaction had access to a range of security information about Mr P.

I don't think it's likely that someone would have had access to all of this information unless Mr P allowed it - either deliberately or because he didn't take enough care to protect the information and keep it secure. Whatever the case, I don't think it was unreasonable for TSB to hold Mr P liable for this transaction. In view of that, it wouldn't be fair to ask them to refund the payment.

I know this isn't the decision Mr P wanted but I hope I've been able to explain why I've made it. It is open to him to reject it and pursue this through the police and legal proceedings if he wishes.

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 P to accept or reject my decision before 15 March 2017.

Nicola Crabb
ombudsman