

complaint

Mr M complains that Bank of Scotland plc, trading as Halifax, won't refund a transaction that he says he didn't make or authorise.

background

Mr M says that in April 2019 he noticed that a payment of £82.43 had been taken from his account. He doesn't know anything about the transaction and he didn't use his debit card to make or authorise this online payment.

Halifax said that as Mr M was still in possession of his debit card it thought it unlikely that an unknown third party had been able to access the card to use for just one transaction and then return it to him. It declined to refund the money.

Our investigator initially thought this complaint should be upheld. He thought it was unlikely that Mr M had made the payment because he was travelling at the time. Halifax then provided evidence to show that Mr M's postcode was used along with his card details to authorise the payment, which was taken from Mr M's account at the end of a free trial period. Based on this extra information the investigator thought it was more likely than not that Mr M had authorised the payment.

Mr M responded to say, in summary, that he didn't sign up for any free trial or purchase anything from the online website.

my findings

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

relevant considerations

The disputed transaction was made in April 2019. The regulations relevant to these are the Payment Service Regulations 2017. In short, the regulations say that Halifax can hold Mr M liable for the disputed transactions if the evidence suggests that he most likely made or authorised it himself or if it was made possible because he was sufficiently negligent in his care of his card or security details.

Mr M says he didn't sign up to this site and is seeking a refund. So my primary concern is to come to a view about whether or not I think Mr M authorised the transactions.

Initially, Mr M thought the payment had been made when he was travelling and just six minutes after he had purchased some fuel. He said that he couldn't possibly have done this. But I'm satisfied that the transaction was authorised the week before it debited his account.

The merchant has confirmed that when the account was opened, Mr M's name, postcode, email address and debit card details, including the last three security digits (CVV) on the reverse of the card, were entered. I'm satisfied that the payment was authenticated and Mr M's postcode and the CVV were verified.

So I've gone on to consider the possible explanations for how the disputed transaction was made. These are:

- Mr M signed up and made the payment himself
- Someone with Mr M's authority used the card details to register
- Someone known to Mr M accessed his card details and signed up to the account without Mr M's consent
- Someone unknown to Mr M was able to use his card details to fraudulently make the payments

I can't know for sure what happened in this case so I must make my decision based on the balance of the evidence.

The merchant says that the card details were provided during registration for a free seven day trial of its service. Mr M's card details and postcode were both verified. I'm satisfied that the email address it used was one that belonged to Mr M, although there was a one letter typing error when the address was input. So if Mr M didn't set this up himself, I consider the person who did knew not only Mr M's personal information but also his card details. The terms of Mr M's account say that Mr M should keep the card safe.

Mr M hadn't reported the card as lost or stolen or compromised in any way. He said that no one had access to his card and he keeps it in his wallet. I see that he used the card himself two days before the disputed transaction and then again a day later. So I don't consider that someone unknown to Mr M could have obtained Mr M's card details and personal information to do this and then returned the card to Mr M. And I don't think it likely that someone known to Mr M would have accessed his card and signed up for the service without his consent. I say this because they would have had to take Mr M's card and return it to him without him noticing to use the next day, which I don't think happened here.

Mr M has said that there was no need for him to sign up for this service – a digital communication service, which amongst other things enhances internet security – because he doesn't own a computer. But the service allows up to six devices, including phones and tablets, to be connected and operates worldwide.

Based on everything I've seen, and on balance, I think it's more likely than not that Mr M registered for the free trial. I accept that he might not have realised that in doing so he was authorising to pay for a three year plan but I can't safely hold Halifax responsible for this transaction. I realise Mr M will be disappointed but I'm satisfied that Halifax has provided sufficient evidence to demonstrate that it may hold Mr M liable for the transaction and it was fair and reasonable for it to refuse a refund.

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 M to accept or reject my decision before 23 May 2020.

Karen Wharton
ombudsman