

## The complaint

Mrs P has complained that Sainsbury's Bank Plc won't refund transactions she says she didn't make or otherwise authorise.

## What happened

In summer 2022, two sets of recurring payments were set up on Mrs P's Sainsburys credit card. Mrs P's credit card was charged around £170 in total.

Mrs P reported these to Sainsburys as fraudulent. She said she entered a competition via a link on social media, and she provided her card details to put a deposit down, but she did not authorise the recurring payments. She said she didn't receive any goods or services.

Sainsburys offered to raise a chargeback for Mrs P. They explained that in order to do so, Mrs P was required to try to resolve things with the merchants first, and to provide a copy of her contact with the merchants. But Mrs P was not willing to contact the merchants, as she didn't want them to have her contact details. So the chargeback couldn't go through. As a gesture of goodwill, Sainsburys waived some interest and fees, and offered Mrs P £25 compensation for the time she'd had to wait on the phone.

Our investigator looked into things independently and didn't uphold the complaint. Mrs P didn't agree, so the complaint's been passed to me to decide.

I sent Mrs P and Sainsburys a provisional decision on 21 August 2023. In that decision, I said the following:

*I understand that Mrs P thinks these merchants are scam businesses, and I do appreciate that she's found the matter distressing. I should explain that, as our investigator said, we're here to informally resolve disputes about financial firms, like banks. We don't have the power to investigate non-financial firms like these merchants. So I can't say for certain whether these merchants were genuine or not. And if they did scam Mrs P, then it's the scammers who would primarily be responsible for the scam and who would really owe Mrs P her money back. But in this complaint against Sainsburys, I can only consider what Sainsburys did.*

*Broadly speaking, Sainsburys can hold Mrs P liable for the payments in dispute if the evidence suggests that she authorised them.*

*Mrs P has been clear that she gave her card details over in order to make a payment – though she says she thought this was just for a deposit. Sainsburys say that this happened at the same IP address as other genuine payments of Mrs P's.*

*I've looked at the sign-up process for the websites involved, as well as their linked sites. In each case, I can see that the websites set out clearly that by entering one's card details, one would be setting up recurring payments, with the amounts and timescales set out clearly and prominently. It looks like in order to set up these recurring payments, one had to positively agree to them. I have not found any examples where it would be unclear that these were recurring payments of specific amounts.*

*So while I accept that Mrs P may not have realised she was entering into these recurring payments, it looks most likely that the merchants set things out sufficiently clearly and that Mrs P set up the recurring payments nonetheless. So I would consider these payments to be authorised. And so under the Payment Services Regulations, Mrs P is liable for those payments in the first instance, and Sainsburys are not required to refund them.*

*I've then thought carefully about what Sainsburys did to try to recover Mrs P's money once she told them she thought this was a scam. There are methods for trying to recover money lost to scams, but aside from the fact that it's not clear whether this was actually a scam or not, those methods only apply to certain types of payments – like bank transfers. They don't apply to card payments. And Mrs P made these payments by credit card. So Sainsburys were quite limited in what they could do to help here.*

*Sainsburys offered to raise a chargeback for Mrs P, and that was the most appropriate way to try to get her money back. The chargeback process is voluntary, so Sainsburys didn't have to raise one – but it's generally good practice to try one, so I think it's right that they did.*

*When a bank tries a chargeback, they have to follow the rules set by the card scheme – in this case, MasterCard. Here, Sainsburys followed the right process. MasterCard required that in order to proceed with the chargeback, Mrs P had to try to resolve things with the merchants directly herself, and she had to provide evidence of her communication with those merchants. As Mrs P refused to do so, the chargeback could not go forward. Sainsburys are bound by MasterCard's rules when trying to do a chargeback. So even if Mrs P's reasons for refusing were understandable, the fact remains that her refusal meant the chargeback could not proceed.*

*I'm afraid that it is now too late to reopen the chargeback. Again, there are strict timescales in place which are also set by MasterCard. Mrs P says she wasn't aware there was a deadline, but I can see that Sainsburys set out the relevant deadline clearly.*

*So while I do sympathise with Mrs P's position, I don't think I can fairly hold Sainsburys responsible for these payments.*

*Mrs P pointed out that Sainsburys didn't tell her to get a crime reference number. But they didn't need to. There was no requirement to get a crime reference number to proceed with the chargeback. And it was always up to Mrs P whether she wanted to report the merchants to the authorities or not.*

*Lastly, I understand that Mrs P was unhappy with the time she had to wait while trying to speak to Sainsburys. I can see that in recognition of this, Sainsburys waived some interest and fees and offered Mrs P £25 compensation. I find that to be sufficient for that particular issue. I don't plan to make a further award there.*

I said I'd consider anything else anyone wanted to give me – so long as I received it before 4 September 2023. But neither Mrs P nor Sainsburys sent me anything new to consider.

### **What I've decided – and why**

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

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

### **My final decision**

I find that Sainsbury's Bank Plc have already dealt with Mrs P's complaint in a fair way. I don't make a further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 3 October 2023.

Adam Charles  
**Ombudsman**