

The complaint

Mr R has complained that Lloyds Bank PLC won't refund a transaction he says he didn't make or otherwise authorise.

What happened

In late 2022, £4,800 was transferred from Mr R's Lloyds account to a third party using his mobile banking app.

Mr R told Lloyds he didn't recognise the payment. But Lloyds held Mr R liable for it, on the basis that it was made using his mobile app, login details, and biometrics; and from what he'd told them, his phone wasn't lost or stolen, no one else could unlock it, and no one else had access to his login details – indeed, he confirmed he'd set the login details himself earlier that week.

Our investigator looked into things independently and didn't uphold the complaint. Mr R appealed, pointing out that another mobile device had been registered before the payment. The complaint's been passed to me to decide.

I sent Mr R and Lloyds a provisional decision on 23 August 2023, to explain why I didn't think the complaint should be upheld. In that decision, I said:

Mr R mentioned that he'd been scammed, but he declined to elaborate on this. He also didn't answer our other questions about what happened, so I've had to base my findings on the information I have so far.

Broadly speaking, Lloyds can hold Mr R liable for the payment in dispute if the evidence suggests that he authorised it.

From the technical data, I can see that at the time of the disputed payment, Mr R's mobile banking had been logged into from his usual phone – the same device he used for his genuine activity before and after. Mr R told Lloyds he had this phone with him at the time and it didn't go missing. And the login was done using Mr R's registered biometrics, which I understand was his Face ID. So we can be fairly satisfied it was him using it.

As Mr R pointed out, a new device was used as well, which had been registered the day before. But that device was set up using Mr R's login details – which Mr R said he had not given to anyone and only he knew – as well as a code which was sent to the same phone number Mr R used before and after. Mr R was then called at his genuine number and asked to give over that code in order to register the new device. And he was then sent a text to his usual phone number to confirm the new device was set up. So as far as I can see, that new device was set up with Mr R's consent and he was aware of it at the time.

Further, while this is a more minor point, I might've expected a thief to try to take as much money as possible, as quickly as possible. But only one payment was made here, and a substantial sum was still left over in Mr R's account. It would be unusual for a thief to leave such an amount untouched.

I also note that the disputed payment was funded by a large credit into Mr R's account shortly beforehand – before that, there was no available balance. The person who made the disputed payment appears to have known this money was coming, as they set up the new device the day before, registered the new payee many hours in advance, then made the payment quickly after the credit came in. But Mr R said only he knew this credit was coming.

In summary, the disputed payment involved the use of Mr R's genuine phone, a new phone which he'd consented to setting up, the login details which only he knew, and his biometrics. There does not seem to be a likely or plausible way that the payment could've been made without Mr R's consent. So it seems fair that Lloyds can hold him liable for it. This is a difficult message for me to give, and I know it's a difficult message for Mr R to receive. But given the evidence I have so far, and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

I said I'd consider anything else anyone wanted to give me – so long as I received it before 6 September 2023. But neither Mr R nor Lloyds 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 don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 4 October 2023.

Adam Charles
Ombudsman