

## **The complaint**

Mr C complains that Advanced Payment Solutions Ltd (Trading as Cashplus Bank) is holding him liable for a transaction which he says he didn't authorise.

## **What happened**

The circumstances of this complaint are well known to both parties, so I will not repeat them all again here in detail. But I will provide an overview of events below.

Mr C said he didn't authorise a card payment for £70.37 (plus a foreign exchange fee of £2.10) made on 6 September 2022. He's also unhappy that Cashplus sent him numerous copies of the same letter outlining the findings of his fraud claim.

Cashplus said the payment was authorised by way of Mastercard's 3D secure verification – which included a One-Time passcode (OTP) being sent to Mr C's mobile phone.

In terms of recovering the funds, Cashplus explained that the Visa Mastercard Chargeback rules wouldn't apply. It said as the transaction was made through 3D secure verification, it would be deemed that the merchant had done all it could to secure the transaction.

Cashplus said its records showed its letter was only issued to Mr C once. But it apologised for any inconvenience caused.

Mr C raised a complaint with the Financial Ombudsman. He said Cashplus had provided no proof he'd authorised the transaction or said who the payee was - and he had no recollection of being sent the OTP. Mr C also said his account with Cashplus was now closed – yet he was still receiving notifications about the account balance. And he said Cashplus wasn't prepared to transfer his direct debits and standing orders to his new bank.

Mr C wanted Cashplus to reimburse him the disputed transaction – together with the account fees he'd paid over the last two years. Mr C also wanted Cashplus to pay him £500 for the time he'd spent pursuing this matter and for the distress and inconvenience caused.

One of our Investigators considered the complaint and did not uphold it. In short, she thought Mr C had authorised the disputed transaction – or consented to someone else authorising it on his behalf. She also didn't consider a compensatory award to be warranted.

Mr C didn't accept the Investigator's findings, so the complaint has been passed to me to make a decision. He wanted to know who the merchant payee was – and what evidence there was that Cashplus followed the verification process.

Mr C was also unhappy that the Investigator hadn't specifically commented on his complaint about receiving notifications from Cashplus after his account had been closed.

## **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.

Having done so, I agree with the conclusions reached by the Investigator for reasons I set out below.

But first, I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Cashplus has acted reasonably in concluding Mr C authorised the disputed transaction.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

I asked Cashplus for its comments on Mr C's complaints about receiving notifications after his account was closed and that Cashplus obstructed him from transferring his direct debits and standing orders to his new bank. Cashplus has said it hasn't had the opportunity to consider these complaints. It is obliged the opportunity to do so in the first instance before we can make a determination on the matter. And so, I've not commented on these complaint points in this decision.

Turning now to the disputed transaction, Mr C has said he doesn't recall receiving the OTP in relation to the disputed payment. But I'm satisfied from the technical evidence Cashplus has provided (and which has now been provided to Mr C) that the OTP was sent to Mr C's mobile phone when the card transaction was made. To complete this verification process – the OTP had to be entered before the transaction was allowed to go through.

I can see that Mr C's current mobile phone has been registered to his Cashplus account since November 2020 and is the number he currently uses. Mr C told our Investigator that his mobile phone is password protected and no one else has access to his password, nor is it written down anywhere. And so, I've seen no persuasive evidence that access to Mr C's mobile phone was compromised in any way which allowed the OTP to be accessed by a third party.

It follows that in my judgement, on balance, it is more likely than not that either Mr C authorised the disputed transaction by making it himself or authorised another to do so by providing them his consent. And so, I won't be asking Cashplus to take any further action in this regard.

This is a difficult message for me to give as I know how strongly Mr C feels about this matter. But given the evidence I have and on the balance of probabilities, I'm unable to reasonably reach any other conclusion.

For completeness, I've also considered whether Cashplus could've taken any action to recover the funds. But as it has explained, the Visa Mastercard Chargeback rules wouldn't have succeeded, on the basis of Mr C's argument that the transaction was unauthorised, because of the use of 3D verification.

In terms of the duplicate letters being sent to Mr C – it's unclear how this occurred. Cashplus apologised to Mr C for the duplicate letters and said its records only showed the letter being sent out once, so it had fed the issue back to the relevant team. I can understand Mr C's frustration here, but this has been acknowledged and apologised for by Cashplus. And so, I don't think Cashplus needs to do anything more in these circumstances to put things right.

### **My final decision**

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision **before 22 November 2023**.

Anna Jackson  
**Ombudsman**