

The complaint

Mr P complains that Lloyds Bank Plc are holding him liable for payments made using his credit card account which he says he didn't make or otherwise authorise.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. Mr P holds a credit card with Lloyds and his wife (Mrs P) is an additional cardholder. Mr P reported around 20 transactions to Lloyds as 'unauthorised'.

The payments all took place in December 2022, some were made using Mr P's card and others using Mrs P's. Lloyds say the payments were authenticated through a combination of Chip and PIN and 'contactless'. The payments ranged in value from around £0.50 to £100 and together they totalled just over £400.

Lloyds investigated but declined to offer Mr P a refund. In summary they said there was no point of compromise for the card(s) or the PIN numbers. Being unhappy with this outcome Mr P referred his complaint to our service and one of our Investigators didn't recommend it should be upheld. Mr P disagrees and remains adamant these were unauthorised transactions. He asked for an Ombudsman to review his complaint.

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've reached the same outcome as our Investigator and for essentially the same reasons. I know this will be disappointing for Mr P, so I'll explain why.

I accept that Mr P's testimony has been consistent about the transactions he is disputing and that he has reported this to the police. But my role here is to remain impartial and to reach a fair and reasonable outcome based on all the available evidence. Clearly, I wasn't present when the disputed transactions took place, so I can't know with 100% certainty how they were made. But I must decide whether Lloyds concluding that Mr P most likely authorised the payments he is disputing, based on the information available to them, is fair.

I've seen the technical evidence from Lloyds which shows that several of the disputed transactions were made using Chip and PIN and others were made using the 'contactless' facility of the card(s). I find this to be persuasive evidence and I think it's most likely this means that Mr and Mrs P's physical cards were present at the time(s) the transactions were made. And that the PIN was required for at least some of the payments.

Mr P's testimony is that both he and Mrs P have had possession of their respective cards throughout and that no-one knows their PIN numbers. Given this, it's difficult to understand

how the payments could have been made without Mr P's knowledge or authority. I also have to keep in mind that the pattern of spending doesn't match what is typically seen with unauthorised card use. Usually, if a third party has somehow obtained a card and PIN, they will quickly spend the available credit to maximise their gain before the card is reported as lost or stolen. But here, the transactions were generally of low value and didn't use all the available credit. They were also spread out over more than two weeks. It seems implausible that a third party would have been able to have taken and replaced the cards on numerous occasions without discovery. Or that they would have taken the risk to do so, particularly when making predominantly low value payments of £0.50 and £1.50.

Taking all of this into consideration, I can't say the conclusion Lloyds reached was unreasonable. And whilst I understand why this may seem unsatisfactory to Mr P, there isn't a reasonable basis upon which I can require Lloyds to do more to resolve this complaint.

My final decision

For the reasons outlined above, 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 31 October 2023.

Richard Annandale
Ombudsman