

## **The complaint**

Mr W complains about the actions of Think Money Limited when he was tricked into making a payment on his debit card to release a £3,000 loan as a result of a scam.

## **What happened**

Our investigator didn't think the complaint should be upheld. He said Mr W had authorised a small debit card payment of £26.43 through a payment services provider so that he could receive a loan of £3,000. However, it turned out that scammers had impersonated a legitimate loan company and the £3,000 loan didn't exist. So, Mr W lost his money.

The investigator didn't think the payment was so unusual or suspicious that Think Money should've stopped the payment and spoken to Mr W further. He added that there were no chargeback rights for the payment as the money was sent to Mr W to the payments services website who provided the service that Mr W paid for.

Mr W didn't agree and has asked for an Ombudsman's review.

## **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 conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr W has been the victim of a scam. I know he feels strongly about this complaint and this will come as a disappointment to him, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

I've firstly considered whether Think Money should've done more to stop the payment Mr W made towards this scam. It is common ground that Mr W authorised the scam payment of £26.43. I accept that this was an authorised payment even though Mr W was the victim of a scam. So, although it wasn't his intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr W is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Think Money to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud. So, I have looked into what this means for this case and whether Think Money should have done more here to prevent the payments in dispute.

I don't think the payment Mr W made to the scammers was sufficiently unusual at the time for Think Money to step in and ask more questions even if it was to a new payee in this instance. The payment was smaller than other payments Mr W usually makes on his account. And I don't think the payment was sufficiently suspicious for Think Money to be concerned Mr W was at a risk of being scammed.

So, it follows that I don't think the activity was so unusual, for this particular account, where I think it would've been reasonable for Think Money to have intervened and to have spoken to Mr W before processing it. I also don't think there were any other reasons for Think Money to have done more before following the instruction Mr W provided.

### *Recovery*

I've thought about whether Think Money did enough to attempt to recover the money Mr W lost, as there are some instances where debit card transactions can be refunded through making a chargeback claim.

A chargeback wouldn't have been successful for the debit card payment to a legitimate payment services provider, as the money was successfully passed onto the scammers. So, Mr W duly received the service he paid for on his debit card. The money was subsequently lost when it was moved to the scammers. So, he couldn't claim that he didn't receive the goods or services paid for from his Think Money account.

As a result, I don't think Think Money have acted unreasonably by failing to pursue a chargeback claim or try and recover Mr W's money here.

I appreciate my decision leaves Mr W in a difficult position and that he has lost money to this scam. But, for the reasons I've explained I'm not going to ask Think Money to do anything more here.

### **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 W to accept or reject my decision before 6 February 2024.

Mark Dobson  
**Ombudsman**