

The complaint

Mr O complains that Lendable Ltd trading as Zable did not refund a transaction for £9.10 he says he did not make.

What happened

Mr O noticed a payment for £9.10 on his Zable account that was processed on 22 December 2022. He recognised the merchant though he had not visited them for many months, and had not been to the location listed on the transaction on his statement. Because of this, he did not think he could have carried out the transaction. Zable responded to his disputed transaction claim and confirmed the payment had been made using an e-wallet in which Mr O's card had been saved, and the same e-wallet had been used for genuine transactions. Because of this, they did not agree the transaction was fraudulent.

Mr O disagreed and referred the complaint to our service. Our Investigator looked into it and explained that, based on the evidence available, it was more likely Mr O himself made or otherwise authorised the transaction. Mr O reiterated that he had not been to the location listed on the statements so could not have carried it out himself.

As an informal agreement could not be reached, the complaint has been passed to me for a final decision.

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 Investigator for largely the same reasons and I don't direct Zable to refund the £9.10. I'll explain why in more detail.

Generally speaking, Zable is able to hold Mr O liable for the disputed transaction if the evidence suggests it's more likely than not that he made or otherwise authorised it himself. This position is confirmed in the Payment Service Regulations 2017 (PSRs).

From what I've seen, the payment was made using an e-wallet linked to Mr O's mobile phone device. While this is important, it isn't enough on its own to say Mr O is liable for the transactions. Zable also has to show it's more likely than not that Mr O himself made or otherwise authorised the transactions.

Zable has shown that the same e-wallet linked to Mr O's mobile phone device was used to make genuine transactions just a week prior to the disputed transaction, which was possible because Mr O's Zable credit card had been saved in the e-wallet. Mr O also confirmed that he had possession of his phone and his credit card at all times, his mobile phone was secured with biometrics and a passcode, so it could not be easily accessed, and he did not lose this at any time. With this in mind, it is difficult to see how his phone with the e-wallet could have been compromised by a third-party. So I think it is more likely he carried out the transaction himself, via the e-wallet.

In addition, Mr O says that he does recognise the merchant, but he had not visited the location listed on his statements. I do appreciate what Mr O has said, but from what I've seen, a merchant may list a location on a transaction but this does not necessarily mean the payment occurred there. It can be that, for example, the transaction lists where the head office of the merchant is. In any event, as Mr O does recognise the name of the merchant, as well as the fact it is more likely he authorised the transaction using his device which no-one else had access to, I do think it is more likely he carried out the transaction himself.

Finally, I would like to add that, generally speaking, when a fraudster gains access to someone's account via a payment device, they will spend as much as possible in as short a period as possible. However, in this case, only £9.10 was spent, so this does not generally match the pattern of a known fraud.

Having carefully considered everything available to me, for the reasons set out above, I think it was reasonable for Zable to hold Mr O liable for the transaction. So I do not direct them to refund the £9.10.

My final decision

I do not uphold Mr O's complaint against Lendable Ltd trading as Zable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 14 December 2023.

Rebecca Norris

Ombudsman