

The complaint

Mr F complains that Think Money Limited have held him liable for payments made from his 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.

On 11 October 2022 there was a series of faster payments made from Mr F's account with Think Money. The payments took place between around 3.00am and 3.23am. The payments ranged roughly from £67 to £92, and together totalled around £2,200. All the payments went to the same (new) beneficiary, a Mr T. These funds represented Mr F's wages which had recently been received (the same evening).

Mr F reported these payments to Think Money as unauthorised – that being that he hadn't made or instructed them. Think Money took steps to secure Mr F's account and had several phone calls with him. They specifically asked on numerous occasions whether Mr F had any suspicious or unusual calls in which he'd been tricked into sharing any of his security details. This included calls that could have been someone impersonating Think Money. Mr F was adamant that he hadn't. Think Money said that based on the information they had, they wouldn't be able to provide a refund.

Mr F complained and when Think Money maintained their position the matter was referred to our service. One of our Investigators thought the complaint should be upheld and recommended that Think Money should provide a full refund plus interest.

Mr F accepted this outcome, but Think Money disagreed and asked for an Ombudsman to review the complaint.

In June 2023 I issued a provisional decision in which I said:

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'm intending to reach a different outcome to that of our Investigator. I know this will be disappointing for Mr F, so I'll explain why.

Mr F's testimony has been consistent throughout and can broadly be summarised as:

- *No-one else has access to his phone which is protected by a passcode and facial recognition.*
- *He never received any suspicious calls that he didn't recognise, including calls with anyone potentially impersonating Think Money.*
- *He never shared any One-Time Passcode (OTP) or security information in relation to his account with any third party.*

The evidence from Think Money shows that in September 2022 a new device was added to Mr F's account. And it was from that new device that the payments in dispute were later sent. To add the new device, it required an OTP to be entered. And Think Money have evidenced that this was sent to the number they had on file for Mr F at the time. This is the same phone number that Mr F has provided to our service. Think Money have also said that beyond the OTP, further information would be needed to set up a new device. This would have included his username, date of birth and password.

As there was no plausible point of compromise for all this information (particularly the OTP), I don't think Think Money holding Mr F liable for the payments he disputes is unfair. I'm more persuaded by the technical evidence from Think Money. I don't think it would have been possible or likely for the new device to have been set up, and the payments sent, without knowledge of Mr F's security details and the OTP. And Mr F's own testimony is that no-one else could have known these.

Mr F has also said that on the night in question he received notifications from Think Money which said he wouldn't be able to send money from his account until 5.00am. So he is confused as to how these payments could have happened. Think Money have explained that the time at which funds are credited to the account can vary, but they have no record of Mr F being shown any such notification or that the funds wouldn't have been available until 5.00am. I can't know for sure what if any notification Mr F saw, but payments were instructed and left the account before 5.00am that morning. And I'm not persuaded that there was an error by Think Money in relation to this. Even if it could be proved beyond all doubt that there was a notification as Mr F says, that wouldn't change my mind as to the outcome of this complaint. This is because whether or not payments were authorised is the key consideration, rather than the time at which the money became available in the account.

Mr F also says that the series of payments was unusual activity and something that Think Money ought to have stopped. Think Money can only reasonably intervene in Mr F's usage of his account in certain circumstances. This includes trying to protect him from a fraud, scam or the misappropriation of funds. But in this case, as I'm supportive of Think Money's conclusion that Mr F more likely than not authorised the payments he is disputing, there isn't a basis upon which I think they ought to have intervened. Without a scam or similar to protect against, then there is no requirement for Think Money to do more than follow the instructions they are given.

I note that Think Money clearly had their suspicions that Mr F might have fallen victim to a scam. And their final response letter to his complaint included that if he subsequently remembered anything further, they would be happy to take that into consideration – I think that is fair. Think Money also contacted the bank that received Mr F's funds and were told that no funds remained to be returned. Again, I think Think Money contacting the beneficiary bank was fair."

Think Money didn't respond to my provisional decision. Mr F made some further submissions which I'll address below.

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.

Mr F has provided evidence of the notification he says he received on the night in question. It reads *"Budgeting is happening. So, money can't be moved until around 5am, but you can*

use your card as usual." I've considered this. The type of account Mr F has involves a feature where money is set aside for regular bills and it is then clearer to the accountholder what remains available for spending. The 'budgeting process' is presumably when this is worked out following a credit to the account. But firstly, the message refers to 'around 5am' rather than a specific time, indicating funds may become available sooner. And secondly, as I said in my provisional decision, the key consideration is the authorisation of the payments. I'm not persuaded that there was an error by Think Money in following the payment instructions they received based on the notification Mr F says he saw.

Mr F has also highlighted (and evidenced) that on occasions the app shows that he will be receiving more money in his account than his regular wages. And that this amount later corrects itself. I accept Mr F's evidence on this point, but this doesn't change my mind as to whether or not the outcome Think Money reached in relation to liability for the payments was fair. The app momentarily showing an incorrect incoming amount, doesn't impact how and by whom the payments were instructed.

Mr F has also said that other customers reported issues with Think Money and has provided some online reviews to support this. I've taken account of this as part of the wider circumstances, but I can only comment on Mr F's individual complaint. And other customers alleging unauthorised payments from their account, or having other issues with Think Money, doesn't automatically influence the outcome of Mr F's complaint. I'm not persuaded by the reviews Mr F has submitted that there is sufficient evidence to support that there was a systemic issue with Think Money that impacts his complaint.

Mr F says that the frequency and number of the outgoing payments should be evidence enough that they weren't him. Unfortunately, I don't agree. The frequency and number of payments in itself isn't proof they were unauthorised. And as I've mentioned above, as I'm supportive of Think Money's outcome, there isn't any basis upon which they ought to have intervened in authorised payments. I don't agree with Mr F that Think Money have been negligent.

Mr F also says that the speed with which he reported the payments, means Think Money ought to have been able to stop them. Payments such as those relevant to this complaint are usually completed almost instantly. So by the time Mr F reported this, it would have already been too late to stop the payments. And as I noted in my provisional decision, Think Money did contact the recipient bank and were told that no funds could be returned.

At the core of this complaint is the fact that the payments were instructed from a new device, the setup of which required the entry of security details as well as an OTP (sent to Mr F's phone). And Mr F's own evidence is that he never shared an OTP with anyone (even someone impersonating Think Money) and that no-one else would have been able to access his phone. I remain more persuaded by this evidence from Think Money than by Mr F's testimony. And so I'm not going to require them to do anything further 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 F to accept or reject my decision before 9 August 2023.

Richard Annandale
Ombudsman