

The complaint

A company, which I'll refer to as F, complains that Advanced Payment Solutions Limited (trading as Cashplus Bank) won't refund payments it didn't make.

Mr M, who is a director of F, brings the complaint on F's behalf.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my 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've reached the same outcome as our investigator for these reasons:

- Cashplus hasn't disputed this concerns unauthorised payments. However, in line with the Payment Services Regulations 2017, it refused to refund them because it asserts Mr M failed with gross negligence to comply with the terms of the account and keep F's personalised security details safe.
- Having considered the circumstances carefully, I'm not persuaded Cashplus has shown that's the case. I'll explain why.
- Mr M received a call that appeared to come from Cashplus's number. He said the caller knew information about F's account and they told him that someone was attempting fraudulent transactions.
- Mr M recalled how the caller said he'd receive an email – they instructed him to forward this to an email address that mentioned Cashplus, so they could confirm his email address hadn't been hacked.
- In these circumstances – when the call appeared to come from Cashplus and they'd sensitive information about F – I can see how Mr M trusted the call was genuine. So I can also understand why Mr M followed the caller's instructions and forwarded the email, particularly when there's no warning about sharing it.
- Cashplus submit it's clear it's not a genuine Cashplus email address. While it might be obvious to someone that's very familiar with how Cashplus's email addresses look, I can see how it didn't ring alarm bells with Mr M in the heat of the moment when he was worried about fraud. Afterall, the email address mentions Cashplus and it doesn't look like a personal email address.
- Cashplus has also argued that, because Mr M checked the number who was calling, he ought to have checked the email address too. But I think it's likely Mr M was

reassured he was talking with his genuine bank when he checked the number – so I can see why he didn't carry out further checks afterwards. I'm not persuaded this adequately shows Mr M acted with *very significant* carelessness to conclude he failed with *gross* negligence.

- It follows that, in line with the PSRs, I don't consider F can be fairly held liable for these unauthorised payments and Cashplus needs to put things right – by refunding F's losses from these unauthorised payments alongside 8% simple interest per year to compensate it for the time it's been out of pocket.

My final decision

For the reasons I've explained, I uphold F's complaint. Advanced Payment Solutions Limited must:

- Pay F the total of the unauthorised payment, less any amount recovered or refunded – I understand this to be £8,597.50.
- Pay 8% simple interest per year on this amount, from the date of the unauthorised payments to the date of settlement (less any tax lawfully deductible).

.Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 9 August 2023.

Emma Szkolar
Ombudsman