

The complaint

Mr S says Paysafe Financial Services Limited (“Paysafe”) refuses to refund him for transactions on his account he says he didn’t authorise.

What happened

Mr S says he noticed four transactions on his account on 9 October 2023 which he says he didn’t make or authorise. Mr S says he had just received his salary and on the same day most of the money was used to make payments to a company he has never heard of. Mr S says Paysafe should refund him this money.

Paysafe says the evidence it has shows the transactions were carried out on Mr S’s device and so it has held Mr S responsible for these transactions.

Our investigator considered this complaint and initially upheld the case as she was not persuaded by the evidence supplied that Mr S authorised these payments. However, Paysafe then provided further evidence and having considered this alongside everything else our investigator decided not to uphold the complaint. Mr S wasn’t happy with this outcome, so 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.

Generally speaking, Paysafe is required to refund any unauthorised payments made from Mr S’s account. Those rules are set out in the Payment Service Regulations 2017. Mr S has said he didn’t carry out the transactions in dispute, but Paysafe says it thinks he did. So, I have considered the evidence and given my view on whether I think it’s likely Mr S authorised the transactions or not.

The four transactions in dispute were carried out online and Paysafe has provided evidence to show that there are two trusted devices linked to Mr S’s account. Mr S confirmed he has used more than one device to access his account, and the two trusted devices recorded have been used several times prior to the transactions in dispute. Paysafe has also provided evidence that the transactions in dispute had been carried out using Mr S’s trusted device, one which had been linked to the account since June 2023.

The evidence supplied by Paysafe also shows the login information for Mr S’s online banking. This recorded login’s to his online banking on the same day and around the same time as the transactions in dispute from the same trusted device the transactions were made from. Mr S says he hasn’t lost his phone or allowed anyone else access to it. So, it would seem more likely then based on the evidence I’ve seen that the transactions were carried out by Mr S himself.

Mr S has questioned the IP address recorded for these transactions as the evidence shows this was a different IP address to his usual address. IP addresses correlate to the device and

location of the activity. The IP address listed for these transactions are not the same as any previously used IP address on Mr S's account, but is recorded as the country code "BR" which I understand to be Brazil, where Mr S is currently residing. And as this also shows the same trusted device as used since earlier in 2023, I'm not persuaded the different IP address makes it more likely the transactions were carried out by someone else.

It is possible for fraudsters to gain access to someone's phone to make fraudulent transactions, but this usually involves the victims being tricked into sharing an access code. We asked Mr S if he had received any suspicious phone calls, text or emails or if he had given his details to any other third party. Mr S says he takes his account security seriously and he hadn't received any such suspicious contact and hasn't shared his details with anyone else.

I can see Mr S is frustrated that he was initially told his complaint was upheld so he thought he would be getting this money back. And I appreciate this decision will be very upsetting for Mr S. It's a lot of money, and I understand he's currently in financial difficulty. So, I do have sympathy for his situation. However, having looked at the evidence again both the investigator and I are persuaded it's likely Mr S made these transactions himself. So, I am not upholding this complaint.

My final decision

For the reasons outlined above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 October 2024.

Sienna Mahboobani
Ombudsman