

The complaint

Mr S says Capital One (Europe) plc (“Capital One”) refuses to refund him for fraudulent transactions on his account.

What happened

Mr S says he noticed two transactions on his account for £600 each, but these transactions are fraudulent. Mr S says he only agreed to pay £60 and £90, and he now believes he was tricked by the merchant.

Capital One says it requested a chargeback from the merchant, but the merchant was able to supply two receipts for £600 each on the date and time in question and with the same authorisation details as the disputed transactions. It says the merchant claims the transactions were completed correctly and the goods were provided. Capital One has also shown that both transactions were completed using Mr S’s actual card and PIN. So, it says this is clear evidence that Mr S authorised the transactions, and the receipt provided from the merchant is evidence that the transaction amount on the statement is the amount that Mr S agreed to.

Our investigator considered this complaint and decided not to uphold it. Mr S disagreed so the complaint has been brought to me to consider.

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, Capitol One is required to refund any unauthorised payments made from Mr S’s account. Those rules are set out in the Payment Service Regulations 2017. Under these Regulations Mr S would be entitled to his money back if money was taken out from his account without his authorisation or consent.

Capitol One has evidenced that these transactions were completed using Mr S’s genuine card and PIN – so this amounts to authorisation. Mr S hasn’t told us someone else stole his card and PIN, in fact his evidence is that he made the transactions himself but not for the amounts taken. So, I am satisfied that these transactions were authorised as per the Payment Service Regulations.

Mr S entered his PIN for both transactions, therefore agreeing to the transactions and the amounts. Mr S says he was meant to be paying only £60 and £90, not two lots of £600. But it is the consumers responsibility to check the amount he is agreeing to before entering his PIN. I understand that Mr S feels the merchant tricked him and hid the amounts from him, but this is not something I can hold Capital One responsible for. And it wouldn’t be fair for me to ask Capitol One to use its own funds to pay him back money that he says he was tricked into paying the merchant.

Capitol One attempted to raise a chargeback on Mr S's behalf on the grounds of the "*transaction amount differs*" to what Mr S says. However, the chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder. Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed.

The charge back was refused due to the merchant providing sufficient evidence that the transaction was completed correctly. The date, time and authorisation codes of the receipt provided by the merchant matched the details of the disputed transactions and show they were authorised by PIN. I understand the merchant has told Mr S something different, but again I cannot hold Capitol One responsible for the fact that the merchant is lying to him. So based on this, I am not upholding this complaint, so Capitol One don't have to do anything further.

My final decision

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 12 December 2024.

Sienna Mahboobani
Ombudsman