

The complaint

Mrs G complains Santander UK PLC (“Santander”) refuses to refund her for a transaction on her account she says she didn’t authorise.

What happened

Mrs G says she noticed a transaction on her account for £834 on 13 November 2023 which she didn’t authorise. She says she received a suspicious phone call from someone pretending to be from Santander a few days prior. But Mrs G says she didn’t give them any personal information. She also says she has not downloaded any new apps or clicked on any suspicious links on her phone. So, she would like Santander to refund her the money which has been spent on her account.

Santander considered her complaint and decided not to uphold it. It says the transaction was made online using Mrs G’s card details and was approved via a one-time passcode (OTP) which was sent to Mrs G’s phone. Santander says the transaction would not have been approved without this OTP, and as Mrs G hasn’t given that code to anyone else, the only likely scenario is that she authorised this transaction herself.

Our investigator considered this complaint and decided to uphold it in Mrs G’s favour. She felt that it’s likely Mrs G was a victim of a SIM swapping scam where a fraudster was able to obtain a new SIM in Mrs G’s name to receive the OTP. Santander didn’t agree so the complaint has been passed 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, Santander is required to refund any unauthorised payments made from Mrs G’s account. Those rules are set out in the Payment Service Regulations 2017. Mrs G has said she didn’t carry out the transactions in dispute. So, I have to give my view on whether I think Mrs G did authorise the transactions or not.

Santander have provided evidence to show the transaction was completed online using Mrs G card and address details. Mrs G says she has never shopped at the merchant in question and didn’t make the transaction in dispute. She says she received a suspicious phone call from someone who said they were calling from Santander, asking unusual questions. Mrs G says she thinks this person recorded her voice to use for voice recognition. I’ve also seen evidence that Mrs G says she responded to a suspicious email from Royal Mail and might have entered her card details there. So, I think it’s possible that someone else may have had her card details to make a payment online.

However, Santander has also provided evidence that the transaction was verified via an OTP sent to Mrs G’s mobile phone number. And that the transaction was only completed after the correct OTP was entered. Mrs G is adamant that she never received an OTP, never shared an OTP and never entered an OTP anywhere. So, I have considered what I think it is

more likely to have happened here to explain how an OTP sent to Mrs G's phone number authorise this transaction.

The evidence provided from Santander shows the transaction in dispute and the OTP were sent to a device with an IP address in Brighton. This is a long way from where Mrs G lives and she says she was at the Doctor's on the day in question. We presented this evidence to Santander, however Santander hasn't provided any further evidence to persuade me that the OTP was sent to Mrs G's actual device. Our investigator suggested that Mrs G may have been victim to a SIM swap, where the fraudster was able to obtain a replacement SIM in order to receive OTPs or notifications. And considering the IP address for the OTP is recorded as far away from Mrs G's area – I think this seems likely.

I have considered Mrs G's testimony in detail and what she has said about the fraudulent calls and emails she received. I think it is likely that Mrs G was targeted by fraudsters who used the information they had to make this transaction online. Even though this transaction was authorised using an OTP, based on all the evidence I've seen I think it's likely this was also received and entered by a fraudster. I have seen evidence that Mrs G had given her card and PIN to her niece to help her with ATM transactions, but I don't think this has any connection with the transaction in question, and I don't think Mrs G's niece carried out this transaction with Mrs G's authority – apparent or given. As I've said above, I think this transaction was made by a fraudulent third party and not authorised by Mrs G.

Putting things right

Santander UK PLC should refund the transaction in dispute as well as 8% simple interest from the date the payment was made until it is returned.

My final decision

I am upholding this complaint. Santander UK PLC should put things right as outlined above,

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

Sienna Mahboobani
Ombudsman