

## **The complaint**

Miss K has complained that Lloyds Bank PLC won't refund transactions she says she didn't make or otherwise authorise.

## **What happened**

Miss K's card and PIN were used for two £250 cash withdrawals at an ATM.

Miss K says she didn't authorise this. She says her card was with her and must have been cloned, and said she was on her way to work at the time. Her card was kept in her phone cover, and her phone was always with her or in her locked room at home. She'd not told anyone her PIN or written it down or shared it with other accounts, and it was a random number. There was no way someone she lived with could've got hold of her card, as she kept her room locked, and there was no one she knew who she suspected.

Lloyds held Miss K liable for the payments in dispute, as they couldn't see a likely or plausible way someone could've made the withdrawals without her consent.

Our Investigator looked into things independently and didn't uphold the complaint. Miss K asked for an ombudsman's final decision, so the complaint's been passed to me to decide.

## **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.

Broadly speaking, Lloyds can hold Miss K liable for the payments in dispute if the evidence suggests that she authorised them.

I'm satisfied from Lloyds's technical evidence that the withdrawals in dispute used Miss K's genuine card, and the correct PIN. This was not a cloned card, and the account's security was not bypassed. So I can see that these transactions were properly authenticated. The question, then, is whether the evidence suggests that it's most likely Miss K consented to the transactions, or not.

First, I've considered the possibility that this was done by someone who Miss K didn't know – i.e. a third-party thief or fraudster.

As I noted above, the withdrawals were made using Miss K's real physical card. She kept this in her phone case, which was always with her or in her locked room. And she didn't lose the card – she still had it after and continued to use it. It's not likely or plausible that a thief could've taken her card, used it, and then given it back to Miss K all without her noticing. And it's not realistic that they'd return it to her at all – that would substantially increase their chances of getting caught while actively reducing how much they could spend.

The withdrawals were also made using Miss K's correct PIN from the very first try. The PIN was not bypassed, and the account was not hacked as Miss K suggested. So whoever made the withdrawals knew Miss K's PIN. But Miss K's PIN wasn't recorded anywhere, she hadn't shared it or told it to anyone, and it was a random number generated by the bank, not something potentially guessable like her birthday. The PIN hadn't been reissued since the account was opened. Miss K hadn't made any transactions using her PIN in the days before the withdrawals, so there was no reasonable opportunity for a thief to watch her entering it and then take the card. And it's exceptionally unlikely that a thief would happen to randomly guess her PIN on the first try.

As such, there's no likely or plausible way that an unknown party could've access Miss K's card and PIN, so we can reasonably rule out that possibility.

It is technically possible that someone known to Miss K may have made the transactions without her permission, such as a friend or family member. But I don't think that's likely either. Given how Miss K kept the card, it still would've been very difficult indeed for a known party to have taken Miss K's card, used it, and returned it to her without her noticing. And given how Miss K hadn't used her PIN recently or told it to anyone, it wasn't recorded anywhere, and it was a randomly generated number, it still would've been difficult for a known party to have learned it. Further, Miss K was certain that it wasn't possible someone she lived with could've done this, and she didn't know anyone who she suspected. So it seems that Miss K has effectively ruled out that possibility herself.

That leaves only one likely and plausible possibility – that Miss K authorised the withdrawals herself or gave someone else permission to make them. That fits very well with the evidence of how these withdrawals were made.

Miss K provided a cropped extract of a journey history, to try to evidence that she'd been on her way to work at the time of the withdrawals. But the journey history was cropped in a way that meant we couldn't see whose journey history it was. Despite our Investigator requesting this, Miss K did not provide the full history or anything which showed it was her history. And while Miss K says she tried to fund that journey using her card, I can see from the electronic records that there was no such attempt. Further, even if I accepted that Miss K wasn't present at the withdrawals herself, it was still possible for her to have given someone else permission to make them. And I'm afraid that the evidence I went through above points to this being a more likely and plausible possibility than the payments being unauthorised.

So based on everything I've seen, I find that it's fair for Lloyds to decline a refund in this case, as the disputed withdrawals were most likely authorised. I do appreciate that this is not the outcome Miss K was hoping for. But given the evidence at hand, and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

**My final decision**

For the reasons I've explained, I don't uphold Miss K's complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask to accept or reject my decision before 14 January 2025.

Adam Charles  
**Ombudsman**