

complaint

Mr B complains that someone used a debit card to make numerous transactions from his current account with Bank of Scotland plc (trading as Halifax). The bank won't refund the money.

background

On 17 November 2014, someone called Halifax. They said they were Mr B. This person requested a new debit card and personal identification number for Mr B's account. These were sent to Mr B's home address.

From 24 November 2014 to 28 November 2014, various transactions were made with the new card and PIN. These were a mixture of cash machine withdrawals and retail purchases.

Mr B says he tried to use his original debit card on 28 November 2014. It was declined. He contacted Halifax. The disputed transactions were discovered. Halifax refused to refund the transactions.

Our adjudicator found that it wasn't likely that the transactions were unauthorised, or made by someone that Mr B didn't know.

Mr B disagrees. He wants an ombudsman's review. He insists that he didn't make any of the disputed transactions. He says didn't authorise anyone else to do so.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I can see that the person who ordered the new debit card and PIN correctly answered all of Halifax's security questions. The first call was disconnected. So the person rang back. This means that two sets of security questions were correctly answered.

The card and PIN were sent separately to Mr B's correct home address. They were sent from different places. Mr B says that no one could have got into his property to take them.

I can see that all the cash machine withdrawals were made within about 10 miles of Mr B's home address. They were all made in general area of where genuine transactions had been made.

The spending pattern during this period was unusual. So Halifax carried out extra random security checks. This meant that four of the disputed transactions were stopped for further checking. But each time, someone called the bank. Each time, this person was able to pass Halifax's security questions.

To correctly answer the security questions, the person knew details of:

- recent account transactions;
- direct debits set up on Mr B's current account;
- electoral roll information for his address; and
- Mr B's credit file including other bank accounts he holds.

All the cash machine withdrawals were below the debit card's maximum limit. Also, the account balance wasn't checked. So I am satisfied that the person using Mr B's debit card had in depth knowledge of his financial details.

Halifax also says that Mr B used his original debit card to make a small retail purchase after the disputed transactions had started. Mr B would have needed to use his PIN to make this purchase.

But the bank has said that only one PIN can be active on an account at any time. While it is usual to be able use an old card for 30 days after a new card is issued – the new card can also be used during this time – only one PIN can be used for both cards.

In the circumstances, I'm not satisfied that Mr B didn't authorise the transactions. So I can't ask the bank to refund the disputed amounts.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 10 July 2015.

John Miles
ombudsman