

Before the Arbiter for Financial Services

Case ASF 112/2025

WJ

(‘Complainant’)

Vs

Bank of Valletta p.l.c.

Reg. No. C 2833

(‘Service Provider’ ‘Bank’ or ‘BOV’)

Sitting of 31 December 2025

The Complaint

This is a complaint¹ related to a claim for recovery of a payment of €231.99 charged to Complainant’s account without her authority on 08 January 2025. She claims that another unauthorised payment for €54.99 was attempted but this was stopped by BOV. She questions why the second payment for a smaller amount was stopped but a first payment for a bigger amount was allowed.²

She claims that BOV only agreed to refund €69.60 being 30% of the claimed loss and this in accordance with the Arbiter’s model for allocating responsibility for such fraud payments.³

She claims full refund of the amount charged to her account without her authority.

The fraud was reported to the police of 27 January 2025.⁴

The following is a timeline collected by the Arbiter from the evidence provided.

¹ P. 1 - 7 and attachments p. 8 - 26

² BOV explained that this was blocked as their system highlighted abnormalities in system’s threshold, p. 74

³ P. 10

⁴ P. 15 - 16

Date	Time	Event	Ref.
08.01.2025	11:02	SMS received informing account is locked for security reasons and inviting to click on a fraudulent link	p. 17
		Complainant denies taking any action and denies pressing the link	p. 66
08.01.2025	12:16	Complainant deactivated their Android device from the Bank's 3D Secure system	p. 75
08.01.2-26	12:19:13	Bank records show that a device Apple iPad 11.6 was enrolled on the 3d Secure system	p. 75
08.01.2025	12:26 – 12:31	Bank sends SMSs on registered mobile device informing 3 attempts to verify the Card, 1 attempt to pay €54.99 (denied), and 1 payment for €231.99 all from Western Union Vienna. Complainant confirms receipt of these SMS.	p.18; 96
08.01.2025	12:30:01	Successful payment of €231.99 was executed through 3D Secure which was then showing iPad 11.6 as the enrolled device	p.33
08.01.2025	12:31:46	iPad 11.6 successfully dis-enrolled from 3D Secure	p. 75
08.01.2025	12:34	Complainant phones Bank to report she had not authorised the payment but by then the payment was executed.	p. 65

Complainant denies that she holds an iPad 11.6 which the Bank reports was registered between 12:19 and 12:31 and, consequently, they deny her being

involved in the enrolment and disenrollment of this device on the Bank's 3D Secure system.

She maintains that the fraudulent payment was not authenticated or authorised by her and, consequently, she demands full refund. She accused BOV of releasing the fraud payment after she had already reported the fraud.⁵

Reply⁶

BOV submitted their reply on 21 July 2025 basically arguing that their records show that the payment was approved through 3D Secure, and if Complainant had not approved it herself, she must have pressed the fraudulent link in the SMS of 08 January 2025, and then given the necessary codes to enable the scammer to enrol the iPad device and authorise the payment.

For this reason, they had offered partial refund of 30% in accordance with Arbiter's model but did not repeat the same offer in their official reply to the Office of the Arbiter.

Hearings

Three separate hearings were held on 2 September 2025, 30 September 2025, and 19 November 2025.

Analysis and considerations

The Arbiter obtained all possible evidence to find which version of events is the most credible as to who was responsible for the fraudulent payment.

In the end, the Arbiter has to consider which version is the more credible:

the version of the Complainant that whilst she received the fraudulent SMS at 11:02, she did not press on the link and whilst she did disenroll her phone from the 3D Secure at 12:16⁷ she had nothing to do with the enrolment of new device iPad by which the fraudulent payment was made with the 3D Secure and then, its disenrollment soon after the

⁵ P. 64

⁶ P. 33 – 39 with attachments A to G p. 40 - 64

⁷ P. 106

fraudulent payment was made. A new device was only enrolled on 28 March 2025, but this is quite irrelevant to the merits of this complaint;

or

the version of BOV that the fraudulent payment was fully authorised by the Complainant through 3D Secure and the only way the iPad 11.6 could be enrolled and disenrolled from the 3D Secure system is if the Complainant disclosed to the fraudster the codes that BOV sent to her registered mobile for this purpose.⁸

The balance of probabilities is clearly in the Bank's favour for these reasons:

1. The Bank provided documentary evidence to support their arguments.
2. Complainant was inconsistent in her evidence. At the hearing of 2 September 2025, she said:

*'I did not receive any messages from BOV stating that I approved this operation through 3D Secure.'*⁹

This contrasts with the fact that with her complaint, she attached a copy of such SMS notifications received on her mobile number registered on the Bank's system.¹⁰

3. She accused the Bank of letting the payment go through after she reported the fraud telephonically when the evidence shows this is not true as she phoned the bank 3 minutes after the payment had been authorised and executed.
4. There is no plausible reason why after receiving a fraudulent SMS and denying that she pressed any link, rather than report the matter to the Bank, she proceeded to disenroll her registered phone from 3D Secure thus permitting the registration of a new device through which the fraudulent payment was authorised.

⁸ P. 113 - 115

⁹ P. 66

¹⁰ P. 18

Decision

The Arbiter is obliged to decide complaints with reference to what, in his opinion, is fair equitable and reasonable in the particular circumstances and substantive merits of the case.

For reasons above explained, the complaint is refused and no compensation is being ordered. Parties are to bear their own costs of these proceedings.

Bank of Valletta have discretion whether to revive their 30% compensation offered in the process before this complaint was lodged. The Arbiter will not apply the allocation of responsibility model¹¹ to this particular complaint once the Complainant continues to insist that she did not press on the fraudulent link.

Alfred Mifsud

Arbiter for Financial Services

Right of Appeal

The Arbiter's Decision is legally binding on the parties, subject only to the right of an appeal regulated by article 27 of the Arbiter for Financial Services Act (Cap. 555) ('the Act') to the Court of Appeal (Inferior Jurisdiction), not later than twenty (20) days from the date of notification of the Decision or, in the event of a request for clarification or correction of the Decision requested in terms of article 26(4) of the Act, from the date of notification of such interpretation or clarification or correction as provided for under article 27(3) of the Act.

Any requests for clarification of the award or requests to correct any errors in computation or clerical or typographical or similar errors requested in terms of article 26(4) of the Act, are to be filed with the Arbiter, with a copy to the other party, within fifteen (15) days from notification of the Decision in terms of the said article.

¹¹ <https://financialarbiter.org.mt/content/model-allocation-responsibility-between-payment-service-provider-psp-and-payment-services>

In accordance with established practice, the Arbiter's Decision will be uploaded on the OAFS website on expiration of the period for appeal. Personal details of the Complainant(s) will be anonymised in terms of article 11(1)(f) of the Act.