

Advice when supporting a victim with their Authorised Push Payment (APP) reimbursement.

An Authorised Push Payment known as APP is when we transfer money from our bank accounts to another bank account. We can carry out the transfers online, using the banking app on our phones, over the phone with telephone banking or in branch. You might know them simply as bank transfers, and they are called 'authorised' because we've carried out the transaction ourselves and we know it's going to take place.

But if the person that has received our money, has misled us by pretending to be a police officer or a bank official. Or we only sent the money because we thought we were in a relationship with the person. In both of those examples the transactions are fraudulent

New rules came in on 7th October 2024 to help reimburse us after APP fraud has taken place and we have written this advice sheet to help you support your client in the event of a claim. If your client has not authorised the payment, for example their card or bank account was used without their permission, you wouldn't use this reimbursement method. Your client's bank would investigate unauthorised transactions in their bank account, in a different way from these new protections.

- All types of Authorised push payment fraud are covered by the new reimbursement protections, for payments made on or after 7th October 2024. If your client lost money before this date, then still encourage your client to claim. It is only that reimbursements before 7th October were under a voluntary code.
- Your client's bank account and the receiving bank account must both be in the UK, and these protections only apply to transfers. There are different procedures for credit & debit card and cheque fraud.
- All banks, building societies, and e-money firm are covered by the new reimbursement scheme, but it does not cover credit unions, national savings or municipal banks.
- The fraud protection available is to a maximum of £85,000, although individual firms may choose to reimburse more than the £85k. If your client has lost more than £85k and their bank limits their reimbursement to that amount, then a complaint could be made to the Financial Ombudsman Service. Each case heard by the Ombudsman is viewed individually and their compensation limit is £430,000. The service is free to the client.
- Clients will not get their money refunded from their bank if they are found to be complicit in the fraud or grossly negligent. The negligent exception to the reimbursement protections does not apply when the client is vulnerable.
- Your client will be expected by their bank to pay attention to fraud warning messages during the transfer process. For example, a message saying that the payment details do not match. These are known as 'Confirmation of Payees' and according to the Payment Systems Regulator over 2 billion checks are made every year. Its in our interest to double check the details before we go ahead with the transfer, if the COP says the details do not match. If we continue with the process, in spite of the warning message, the bank could argue that we have not paid attention to their message, which was there to prevent the fraud happening.

The Trading Standards Duty Officer can be contacted by email, trading.standards@croydon.gov.uk

- Your client, with your help, should contact the bank as soon as the fraud is discovered. If the alert to the bank is delayed, then the bank has no chance to prevent further frauds taking place. They should also report the fraud to the police through Action Fraud or give their consent for the bank to report the matter to the police. Fraud is massively under reported in the UK and its in all our interests to try, as far as possible, to make sure that the true amount of money lost to fraud is known.
- Clients should expect their reimbursement from the bank within 5 days of the report to the bank being made. If the bank has to get further information or take more time to look into the matter, then they can 'stop the clock' on the reimbursement. To try to prevent this from happening, please support your client to give as much information as possible in the initial claim. Try to make sure that all details are provided, as much as is known, so the bank shouldn't have a reason to stop the clock.
- There is provision for an excess of £100 to be taken off the reimbursement by the bank. Some firms may choose to deduct a lower amount, or no amount at all, but banks cannot charge an excess of more than £100. Also, the excess can't be charged to a vulnerable consumer.

The Trading Standards team is very experienced at supporting victims of APP fraud, with a strong record of reimbursements for consumers. Please let us know if you need our help with a case that you are dealing with. We have access to template letters that we can adapt for clients to send to their banks for example. Through our National Trading Standards colleagues, we may be able to support you with contact details for banks if you need them.