



CARD

Don't get caught out at the cash point

Over 40 years ago the first cash machine was installed in Enfield High Street. Since that time, cash machines have become a regular feature of our everyday lives, with cash machines being used around 7.5 million times in the UK each day.

Seen in this context, the number of cash-machine disputes referred to the Financial Ombudsman Service – the free service set up by law to settle complaints between consumers and financial firms – is very small. Last year, the ombudsman received around 3,000 complaints that involved cash machines in total.

To get to the bottom of these complaints, the ombudsman will generally need information from both the consumer and the business about what has happened. This will include detailed records from the bank about the withdrawals from the cash machine.

In a recent case seen by the ombudsman, David Andrews had attempted to withdraw £100 from a cashpoint. He said that the money wasn't paid out, so he waited much longer than usual, but eventually gave up and walked away. When he saw his bank statement and realised that the money had been debited he complained. He then contacted the ombudsman when the bank refused to refund the money to his account.

The ombudsman obtained the audit trail from the bank's cash machine from the day in question. There was no evidence that there had been a problem with the machine or anything to suggest that the money had not been paid out in the usual way. The ombudsman noted that there had been a gap of only three minutes from when Mr Andrews attempted to withdraw his cash and the next customer using the machine. The ombudsman decided that it was likely that a third party had picked up the money when Mr Andrews had walked away from the cashpoint.

In another case, Mrs Elsie Vernon (a pensioner in her eighties) was withdrawing £50 from her local cash machine when a smartly dressed young man approached her while she was in mid-transaction. He told her there was a problem with the machine, because it had "eaten" his card and warned her that she should cancel her transaction. Flustered, Mrs Vernon pressed the "cancel" button but the man told her card was already gone, but if she dashed in the branch quickly enough, a staff member might be able to help out.

Mrs Vernon went in to the branch to report this to a cashier, who told not to worry and that her card would be fine – she would just have to wait a few days to have it returned to her. She later discovered that £500 had been debited

from her account 15 minutes after reporting the problem to the cashier. She contacted the ombudsman when her bank said it wouldn't refund the money. The bank explained that it believed that the loss of the £500 must have been down to "negligence" on Mrs Vernon's part.

The ombudsman was satisfied that Mrs Vernon's account of what had happened was entirely truthful and felt that the cashier should have arranged for her card to be stopped straight away when she explained what had happened. If this prompt action had been taken, the fraudster would not have had the opportunity to withdraw any money using her card. The ombudsman told the bank to pay back the £500 and compensate Mrs Vernon for the distress its handling of the complaint had caused her ■

Stay alert!

Here are some tips on how to safeguard your finances from fraudsters

- 1 Stay alert when using a cash machine. Don't get distracted or let anyone interrupt you while you withdraw your money.
- 2 Never provide your banking, credit card or personal details (such as your address or date of birth) unless you're certain that the request is genuine.
- 3 Don't give anyone your security information, such as your internet or telephone banking password, PIN number or log-on details for online services.
- 4 Try to memorise your PIN or passwords where possible. If you do need to write them down, make sure they are appropriately disguised and are not kept with your bank cards.
- 5 Shred bank statements and other documents containing your personal details rather than putting them straight in the bin.

If you do have a banking problem your bank will usually be able to sort things out quickly and easily. But if you've complained to your bank and are still unhappy, the ombudsman service may be able to help.