

## **The complaint**

Miss W complains that Lloyds Bank PLC allowed someone to fraudulently remove money from her account.

## **What happened**

In 2012 Miss W met a man, Mr C, who said he could help her manage her finances. Over the following years Miss W and Mr C started to form a relationship and became close. Mr C continued to help Miss W with her finances, being given third-party access to her Lloyds account in 2015 and ultimately being granted power of attorney over her finances in 2019. And during this time a number of payments were made between Miss W's account and accounts in Mr C's name.

Miss W started to become suspicious of their relationship when Mr C wouldn't move in with her or give her back more responsibility over her finances. She got copies of her account statements from Lloyds but the money in her account didn't look like she was expecting. So in early 2020, she went into her local Lloyds branch and told them she thought Mr C was stealing from her. Lloyds told her she would need to speak to the Office of the Public Guardian to get the power of attorney revoked, which she then did and the power of attorney was revoked in April 2020. Miss W then complained to Lloyds that it had allowed Mr C to remove money from her account.

Lloyds investigated but said the power of attorney was a legal document Miss W had agreed to, and so it had acted correctly in allowing Mr C to make payments out of her account as he was legally allowed to do so. Miss W wasn't satisfied with Lloyds' response, so referred her complaint to our service.

One of our investigators looked at the case. They felt Lloyds should have taken more action when Miss W first told it she concerned Mr C was stealing from her, by placing a block on the account and not allowing him to do anything further on it until Miss W had looked into any possible fraud. And, by failing to take more action, they felt Lloyds had contributed to the distress and inconvenience Miss W had been caused by the situation. So they recommended Lloyds pay Miss W £750 compensation for this. Lloyds accepted this recommendation, but Miss W wasn't happy with the amount of compensation so the complaint has been passed to me.

## **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.

Before the power of attorney was registered on Miss W's account, Lloyds' records show she introduced Mr C as someone who was helping her with her finances in 2014 and then granted him third-party access to her account in 2015. And as Lloyds' records also show Miss W had been struggling with some financial difficulties before this, I think it was reasonable for it to accept that someone was helping her with her finances and to then follow the instructions Mr C gave on the account once he'd been granted third-party access.

I've also seen a copy of the power of attorney document Lloyds was shown, appointing Mr C as Miss W's attorney. And this appears to have been filled in correctly with Miss W's details, signed by her, stamped by a solicitor and validated by the Office of the Public Guardian. So I think it was reasonable for Lloyds to register the power of attorney on Miss W's account in accordance with that document, and then to follow the instructions Mr C gave on her account on that basis.

Unfortunately, due to the circumstances surrounding this case, it's very difficult to now know for certain whether Mr C was stealing from Miss W, or using the money in her account for his own benefit rather than hers.

A number of payments were made from Miss W's account to accounts in Mr C's name, both before and after the power of attorney was registered. And shortly after the power of attorney was revoked, Mr C went into a Lloyds branch and asked to remove all the money in Miss W's account – which I wouldn't necessarily expect someone acting in her interests to do.

But the payments to Mr C's accounts don't start until 2016, nearly two years after he was introduced to Lloyds and more than a year after he was granted third-party access to Miss W's account – and I wouldn't usually expect a fraudster to wait this long before taking money. The payments to Mr C were for relatively small amounts, considering the available balance of Miss W's account – and I'd usually expect a fraudster to get as much money as quickly as possible. There are a number of payments from Mr C into Miss W's account – which I wouldn't expect from a fraudster. And the overall position of Miss W's account improves significantly during the time Mr C was involved – which suggests he was helping her with her finances.

Unfortunately, Mr C has died since the power of attorney was revoked. So it's also not possible to get any explanation from him, or statements for his accounts to see whether the money was used for Miss W's benefit or not.

In any event, I don't think there was anything about the activity on Miss W's account, or the instructions Mr C gave, which ought to have alerted Lloyds that Mr C may be abusing his position as her attorney. I think it's reasonable that Lloyds didn't identify any possible concerns before Miss W said she thought Mr C was stealing from her, and so I don't think it would be fair to say it acted incorrectly by allowing Mr C to make the payments from her account.

I do think though, that Lloyds should have done more to help Miss W when she first raised her concerns. The branch manager Miss W spoke to said she came in a number of times during early 2020 saying she thought Mr C was stealing from her. Lloyds' records show it told her she would have to speak to the Office of the Public Guardian to get the power of attorney revoked, which is correct. But given the potential seriousness and ongoing nature of the situation, I think Lloyds should also have placed a block on the account and not allowed Mr C to take any further action on it until Miss W had confirmed what was going on. And its records show this wasn't done until at least a number of weeks later.

By not blocking the account and just directing Miss W to the Office of the Public Guardian, Lloyds let a potentially serious situation continue and left Miss W to sort it out on her own rather than taking the steps it could to help her. This will have left her feeling isolated, unsupported and worried that more of her money could have been moved out of her account at any time. A block on the account could also have forced Mr C to explain his actions and so given Miss W clear answers about what had been going on. But instead the matter has continued for several years, Miss W has had to pursue it via a number of different routes

over this time and she has been unable to get definite answers about what happened. So I think Lloyds' failure to do more to help her when she first raised the issue has caused Miss W a significant amount of distress and inconvenience.

Having considered all the circumstances of this case, I think £750 is a fair and reasonable amount of compensation for this distress and inconvenience Lloyds caused Miss W.

I understand Miss W feels the amount of compensation is too low, and I appreciate that this matter has been going on for a significant period of time and has caused her a considerable amount of distress. But, based on the evidence I have, I can't say for sure that Mr C was stealing from her or that the money from her account wasn't used for her benefit. So I don't think it would be fair to require Lloyds to refund the payments Mr C made or to pay compensation for the entire time Mr C was involved with her account. And it's important to note that, if Miss W did suffer a loss, the main perpetrator was Mr C rather than Lloyds.

I only think it's fair to hold Lloyds responsible for the part of the situation it caused by not initially doing more to help her. And I think £750 is fair and reasonable compensation for the distress and inconvenience it caused.

### **My final decision**

For the reasons given above, I uphold this complaint and require Lloyds Bank PLC to:

- Pay Miss W £750 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 29 September 2022.

Alan Millward

**Ombudsman**