

The complaint

Mr W has complained The Co-operative Bank plc won't refund him for five payments made from his account without his authorisation to another bank account he held.

What happened

Mr W holds three accounts with the Co-op, including a current and a savings account.

On waking up on the morning of 13 August, Mr W noticed two large transfers from his savings to his current account. There were then five payments from this account to his account with another bank (who I'll call M). These payments totalled £5,940 and were made between 01:23 and 01:43 hours.

Six payments were then made from Mr W's account with M to an offshore crypto currency account. These payments totalled £5,946. Mr W contacted Co-op that morning and confirmed he'd not made these transactions.

The Co-op told Mr W they wouldn't be refunding him. The five payments from his current account went to another bank account in Mr W's name so therefore, in accordance with current banking guidance and standards, there was no immediate loss relating to Mr W's account use with C.

Our investigator agreed this was a fair conclusion and wouldn't ask the Co-op to do anything further.

Mr W has strenuously objected to this conclusion and has asked an ombudsman to consider his complaint.

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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Mr W's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves. Other aspects do on occasion apply, but nothing here that specifically applies to Mr W's complaint.

To help me come to a decision, I've reviewed the evidence Co-op provided as well as what Mr W has told us.

Whilst I believe these transactions were carried out by a third party and not Mr W, the key thing for me to note is that £5,940 went to another account in Mr W's name. So the point of loss wasn't when the money left Mr W's Co-op account but when the funds left his account with M. I have separately considered his complaint with M.

Therefore it wouldn't be fair and reasonable to ask Co-op to refund Mr W.

My final decision

For the reasons given, my final decision is not to uphold Mr W's complaint against The Co-Operative Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 21 March 2024.

Sandra Quinn
Ombudsman