

## **The complaint**

Miss M says Sainsbury's Bank PLC ("Sainsburys") failed to protect her account from a fraudster and mis-handled her complaint following the fraudulent activity.

## **What happened**

Miss M contacted Sainsburys on 18 August 2023 to inform it that she had received an email regarding a new PIN being issued, and she notice some unauthorised transactions on her account. Sainsburys investigated and was satisfied that Miss M didn't authorise the transactions in dispute, so it refunded these. Therefore, the disputed transactions part of the complaint is resolved.

However, Miss M is not happy with how long it took Sainsburys to refund the money; the fact that its security procedures did not protect her account in the first place; the fact that she was given incorrect information about how the fraud took place; and the adverse effect Miss M says this has had on her credit file. Miss M has also asked for compensation the distress and inconvenience the errors in customer service caused her, and the effect this had on her ongoing health conditions.

Sainsburys identified that it made mistakes in the handling of Miss M's complaint and offered her £250 in compensation for this. Sainsburys also said it would be willing to consider an additional award for the cost Miss M occurred in medical fees due to the deterioration in her medical condition and for the taxi fares back and forth to the appointments. However, it said it would need to see some receipts and evidence of this. I believe Miss M sent Sainsbury some of this information but was not willing to send the full invoices as she didn't want to disclose her medical details. So, no further award was made by Sainsburys. Miss M didn't accept Sainsbury's offer.

Our investigator considered this complaint and decided to uphold it in Miss M's favour and awarded £350 in compensation for the poor customer service received from Sainsburys. We also asked Miss M to provide evidence of her medical bills, or any other financial loss incurred in order for us to consider making an appropriate award. Miss M did not feel comfortable providing this. Miss M wasn't happy with the award suggested by our investigator, and neither was Sainsburys. So, the complaint has been passed to me for a final decision.

## **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.

Firstly, I would like to say I am sorry to learn that Miss M has been a victim of fraud and about the deterioration of her health. I appreciate having a fraudster access ones account would cause distress and inconvenience. So, I am sorry Miss M has been through this. However, I want to be clear on what I am and am not able to do. As a service we were not created to punish businesses for any wrong doings or mistakes, but we aim to help put things right when things haven't happened as it should've done. We look for a fair resolution

for both parties, but we cannot tell businesses how they should operate.

In this case a fraudster was able to gain access to Miss M's account over the phone and make changes to her address and phone number – and this led to the fraudster being able to request a new credit card and PIN to their own address. Miss M is unhappy with Sainsbury's level of security and feels that it should change its processes. This is not something I can make Sainsburys do and nor can I punish it for allowing a third party to access her account. What I can do is ask Sainsburys to put things right (which I am satisfied it has done by refunding the disputed transactions) and consider whether any compensation is due for the distress and inconvenience caused by Sainsburys.

Miss M says she was given incorrect information about how this fraud was committed and she was hung-up on several times throughout her complaints process. This speaks to the level of customer service provided by Sainsburys – which is something I can consider. We expect businesses to give clear and honest information to its customers and I agree Sainsburys fell short of this. I can see Miss M was initially told the fraud was committed via a SIM swap and online. Which was not the case. Miss M also says she was hung-up on while on calls with Sainsburys and no-one called her back. I have seen at least two instances where the line was disconnected while Miss M was on a call. And as Miss M made the call to Sainsburys I have no reason to doubt what she says about it hanging up on her. This does fall below an accepted level of customer service, and this has been considered in the compensation award I have recommended below.

Miss M says she is unhappy with the time it took for Sainsburys to refund the disputed transactions. She first reported the disputed transactions on 18 August 2023, and these were refunded on 1 September 2023. But these transactions were made on a credit card – so they were recorded on her credit card account for this time but did not reduce the funds available to her. And as she says she never really used this card; I don't think this would've affected her financially. But I do appreciate that this would've been stressful until it was resolved so I have considered this in the compensation award I have recommended below.

Miss M says her ongoing health issues severely deteriorated as a result of this incident and the way it was handled by Sainsburys. However, she has not felt comfortable supplying any evidence of her health condition or any evidence of the costs incurred because of the increase in medical care. I appreciate that this is personal information and is not something Miss M wants to share. While she has every right to keep this information private, we are an evidence based alternative dispute resolution service, so we base our findings on the evidence provided. And without persuasive medical evidence to show how these events affected her health and a direct link to the cost she incurred as a result, I am unable to award any additional compensation for this.

Miss M says this incident has had a lasting effect on her credit file and her ability to take out any further credit. She is also unhappy that since the incident she has been made to pass more in-depth security to access her own account. I have considered these points, but I don't think Sainsburys has done anything wrong here. I say this because the reference made about Miss M's details being accessed by a fraudster does not affect her credit score. In fact, this information is recorded to help protect her going forward. Similarly, the additional security added to Miss M's account by Sainsburys is also intended to protect her. Now that Sainsburys is aware someone else has enough information about her to pass it's security it has increased to protect her.

Miss M says she is unhappy that the fraudsters address has been recorded on her credit file and thinks this will also affect her future credit applications. However, Sainsbury's has confirmed this has been removed from her credit file and there is no other reference the fraudster left on her file.

Overall, I have considered everything that has been provided, including the additional points Miss M provided for me to review. I do feel compensation is necessary to reach a fair outcome in this case but not the amount Miss M is hoping for, and I'll explain why. As I mentioned above, we are not set up to punish businesses for any wrong doings or mistakes and we do not issue businesses with any fines. That is the role of the Financial Conduct Authority. What we can do is try to put both parties back in the position they should have been had things not gone wrong.

Miss M was given incorrect information initially and experienced poor customer service on the phone. While Miss M should've received the correct information about how the fraud occurred, this doesn't change the fact that it did happen, and I don't think the incorrect information had a significant impact on her. I say this because I believe she contacted her phone provider and called Sainsburys a few times before getting the correct information. But I am not persuaded this caused any further inconvenience nor did this error have any effect on what had already happened. It would have been unpleasant and frustrating to be hung up on and this has been accounted for in the award. I also appreciate it must have been distressing to not get a correct account of the events which caused this. So, for this I think the award of £350 is fair.

In relation to Miss M's medical condition, as explained above I have not been able to consider this in my award as no persuasive evidence has been received. I don't think this incident had a detrimental effect on her credit file, and I believe the address associated with the fraudster has now been removed. So, I haven't awarded anything further.

### **Putting things right**

For the reasons set out above, Sainsbury's Bank PLC should pay Miss M £350 in compensation.

### **My final decision**

Sainsbury's Bank PLC should put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 28 October 2024.

Sienna Mahboobani  
**Ombudsman**