

## **The complaint**

Mr C and Mrs S complain that Yorkshire Building Society (YBS) disclosed their financial information to a fraudster and then failed to deal with the matter quickly or support them appropriately.

## **What happened**

Mr C and Mrs S have an offset mortgage with YBS, meaning that they have a mortgage and a linked savings account.

In August 2023 someone phoned YBS pretending to be Mr C. The caller couldn't answer all of YBS's security questions and answered one question incorrectly. YBS nevertheless gave them some details of Mr C's and Mrs S's mortgage and the name of the current account provider they use to pay the mortgage. It also then wrote to Mr C and Mrs S with information about redeeming their mortgage, which the caller had asked about.

Mr C and Mrs S found out what had happened soon afterwards when they received YBS's letter and phoned to find out why the letter had been sent. They complain that YBS initially denied having sent the letter at all, it then didn't deal with the matter as quickly as it should have done, and it couldn't offer them any support or advice as victims of fraud. They say it later took too long to respond to them and they struggled to get through to it by phone; they then had difficulty accessing their own money after it blocked their savings account.

In response to the complaint, YBS said it accepted it had got things wrong: its call handler hadn't followed its usual process when the fraudster called and they shouldn't have disclosed any information, and its service to Mr C and Mrs S had then fallen short. It said it was sorry, and sent them £3,050 by way of compensation. It said £50 of that sum was to cover the cost of protective identity registration for both of them with Cifas, a fraud prevention organisation.

Our Investigator thought that YBS had done enough to put things right. Mr C and Mrs S didn't agree and asked for a review. They still considered the compensation YBS had offered was inadequate given the seriousness of its failings and the lifelong impact this matter will have on them.

## **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.

There's no dispute in this case that YBS made mistakes. YBS has accepted that, apologised to Mr C and Mrs S, and offered them compensation. I recognise that Mr C and Mrs S would like some certainty that what happened to them won't happen again, either to them or to anyone else, but I'm afraid I can't give them that. I can't require YBS to make changes to the way it operates – that's a matter for the regulator rather than the ombudsman. YBS has however acknowledged what went wrong, and I would expect it to have taken action to prevent a similar situation arising in future.

My role is to decide a fair and reasonable outcome in all the circumstances of this complaint. I've carefully considered everything both parties have said and provided in order to do that, including Mr C's and Mrs S's comments about the impact what happened has had and continues to have on them.

Mr C and Mrs S were faced with a very distressing and unpleasant situation – someone had contacted YBS, their mortgage and savings account provider, pretending to be Mr C, and YBS had disclosed some of their financial information. The impact of what happened was then compounded by YBS's poor handling of the matter. Mr C and Mrs S have said that this happened at what was already a very difficult time for them, when they were both dealing with health problems.

Fortunately, no money appears to have been stolen from any of Mr C's or Mrs S's accounts as a result of the fraud, and Mr C and Mrs S haven't mentioned fraudulent access having been obtained to any of their other accounts. I understand that they have arranged protective registration with Cifas in order to protect themselves. YBS has included the initial cost of that registration for both of them in its offer of compensation.

Mr C and Mrs S are both self-employed and have said that they had to take time away from work to deal with this matter and try to limit the damage. They have also said that Mr C has had to retire earlier than planned, in part as a result of the impact on his mental health of YBS's failings.

I recognise that they have had to spend time on this and that some of this could have been avoided if YBS had communicated better with them and supported them appropriately. However, I think YBS's offer of compensation recognises that. I don't think I can fairly make an award for loss of income as a result of Mr C retiring when he did. I don't think it was reasonably foreseeable to YBS that the disclosure of information and its handling of the fraud would play a part in Mr C stopping work – and so I can't fairly hold it responsible for that.

I also don't think I can reasonably make an award for the costs of protective registration with Cifas for life given that such registration is most effective in the first few months after personal data has been compromised, as Cifas explains on its website. And while I know that Mr C and Mrs S would like a recording of YBS's call with the fraudster, they have been provided with a transcript and I think that's appropriate in the circumstances.

In all the circumstances, while I can see that this whole matter has been and continues to be very upsetting for Mr C and Mrs S, I think that YBS has done enough to put things right. It put warnings on Mr C's and Mrs S's accounts to protect them from further fraud, it has apologised to Mr C and Mrs S, and it has offered them compensation at a level which I consider to be fair. I don't therefore require it to do or pay any more.

Finally, I note that YBS has said it sent cheques to Mr C and Mrs S for a total of £3,050. I don't know whether those cheques have been cashed, but if not and if Mr C and Mrs S accept this decision, YBS should make arrangements to re-issue the cheques or make payment by other means if necessary.

### **My final decision**

Yorkshire Building Society has already made an offer to pay £3,050 to settle this complaint and, for the reasons I've explained, I consider that offer is fair in all the circumstances.

So my final decision is that Yorkshire Building Society should pay Mr C and Mrs S £3,050 if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs S to accept or reject my decision before 4 October 2024.

Janet Millington  
**Ombudsman**