

The complaint

Mr N complains on behalf of Ms N that Skipton Building Society ("Skipton") requested he provide evidence of Ms N's residential care home address without providing a reasonable explanation of why it was required.

What happened

Ms N holds an account with Skipton. Mr N is one of Ms N's registered Deputies which authorises him to take certain actions on Ms N's behalf in relation to her property affairs including her bank accounts. When registering the Court of Protection order which evidenced that Ms N no longer had mental capacity to manage her financial affairs with Skipton it notified Mr N that it required the care home address where Ms N resides along with a letter from the care home to enter on to its systems.

Mr N raised a complaint about this with Skipton. Mr N wanted an explanation as to why it requires Ms N's care home address following confirmation by a registered deputy that this is where Ms N now resides.

Skipton partially upheld Mr N's complaint explaining that he was previously misinformed when it stated a letter from Ms N's care home was required. Skipton says although Ms N's care home address is still required that this can be provided via a change of address form. Skipton offered £50 compensation as a gesture of goodwill for any distress and inconvenience the misinformation caused.

Mr N was dissatisfied with this as he says Ms N still owned the property in which Skipton had registered for her and didn't believe that it needed confirmation as to where Ms N was currently residing and brought his complaint to this service.

Following this Skipton provided a further explanation. Skipton says upon registering Mr N as the Deputy on its systems Ms N's address was changed for correspondence to ensure all future correspondence was issued to Mr N's address. But although the correspondence address was correct in being set to Mr N's address it still needed confirmation of Ms N's residential address in order to ensure its records were correct in-line with Know Your Customer ("KYC") regulations and that it was complying with anti-money laundering regulations. Furthermore, if Mr N wished to reinvest Ms N's funds with it on maturity it must receive confirmation of this. In order to resolve the matter Skipton offered an additional £200 compensation in addition to the £50 already offered for the stress and inconvenience that the matters raised may have caused which Mr N rejected.

One of our investigator's looked into Mr N's concerns and agreed the information Skipton provided regarding the request for Ms N's care home address could've been clearer and would likely warrant a compensatory award for any distress and inconvenience caused to the complainant.

But as Ms N is the complainant and is unaware of the complaint, she hadn't been caused any distress and because this service can't award compensation for the impact on third

parties to a complaint, they didn't think there was anything more Skipton needed to do to put things right for Ms N and so they didn't uphold the complaint.

Mr N disagreed. He says although Skipton have now found a reasonable explanation for its requirement to have Ms N's residential care home address - and that he will now have to provide it - that this is different from what it said in its final response letter and so doesn't accept that his complaint is declined. Mr N says he's not interested in the compensation and has asked for an ombudsman's 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.

It might help if I explain my role is to look at problems that a consumer has experienced – in this case Ms N - and see if the business – Skipton - has done anything wrong or treated them unfairly. If it has, I'd seek to put Ms N back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

As we are not the regulator, I don't have the power to tell Skipton how it needs to run its business and I can't make Skipton change its systems or processes – such as when it is required to request KYC information or how it carries this out. This is simply not something I can get involved with. Nor can I say what procedures Skipton needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service, and we have no regulatory or disciplinary role. If Mr N has questions about the regulations Skipton follow he should address this to Skipton directly or raise this with the regulator – in this case the Financial Conduct Authority.

That said I don't think it is unreasonable for Skipton to ask for information about its customers from time to time in order to ensure it meet its regulatory requirements. I appreciate this does cause some inconvenience, but I'm sure most would understand this is needed not only to protect businesses against criminal activity, but also their customers.

I understand Mr N is unhappy as Skipton initially asked that Ms N's care home provide a letter confirming that it was Ms N's residential address and didn't provide a satisfactory explanation as to why this was required when he was the appointed Deputy.

But Skipton has acknowledged it made a mistake here in that it didn't require evidence from the care home, but it did still require confirmation from Mr N about where Ms N was residing which I don't think is unreasonable. I say this as Skipton are under a duty to collect and retain factual and accurate information about their customers identity and I think knowing where your customers reside is important information it should have. I appreciate Mr N is acting on Ms N's behalf and that Ms N no longer holds the mental capacity to manage her financial affairs, but ultimately Mr N isn't the account holder, Ms N is.

Furthermore, Skipton also has a duty to safeguard its customers money and this is especially important when a customer is vulnerable - as in Ms N's case. If Skipton doesn't know where Ms N actually resides it becomes more difficult to spot any unusual or potential fraudulent activity on her account and put safeguarding measures in place. And Skipton has updated its systems so that all correspondence is sent to Mr N's address in-line with his role as a Deputy and to ensure Ms N doesn't suffer any distress from receiving unwanted correspondence.

So overall I don't think Skipton has treated Ms N unreasonably or unfairly when it asked

Mr N to confirm her residential address, the actions Skipton took is in-line with its regulatory obligations and ultimately, it took this action to protect Ms N's interests.

But that is not to say Skipton did everything right. Skipton have acknowledged it made an error in asking Mr N provide evidence of the care home Ms N resides at in the form of a letter which led to this complaint being raised and referred to this service.

But as our investigator has already explained, I can't look at the impact Skipton's actions have had on Mr N personally. This is because I can only look at how Skipton's actions have affected the account holder - Ms N – as she is the eligible complainant. So although I accept Mr N may have been inconvenienced by Skipton's actions I can't look at compensating him personally for this if I found that Skipton had done something wrong or treated him unfairly. In any case Mr N has said he is not after compensation and fortunately, I've not seen anything to suggest Ms N has been impacted directly financially or otherwise by this matter.

So as Skipton has corrected its mistake, I don't require it to do anything more.

My understanding is that Skipton has offered Mr N £250 in compensation, if Mr N wishes to now accept this offer of compensation he should let Skipton know.

My final decision

For the reasons I've explained, I've decided not to uphold Mr N's complaint on behalf of Ms N against Skipton Building Society as I think it has already done enough to put things right for Ms N.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 3 December 2024.

Caroline Davies
Ombudsman