

The complaint

Mrs M complains about Yorkshire Building Society (YBS) when she attempted to make a payment, and utilise a Power of Attorney (POA). This caused significant inconvenience, stress, and financial consequence. Mrs M is represented by a third party but for ease of reading, I will generally refer to Mrs M.

What happened

In September 2024, Mrs M attempted to make a payment via YBS's online banking system. But due to YBS's security protocols, the payment was held and YBS telephoned the number they held for Mrs M to speak to her but were unsuccessful. Mrs M contacted YBS by message to chase her payment request but they said she must either telephone them, or attend a YBS branch with ID. Mrs M replied to say she could not do either of these actions due to a disability so YBS suggested a POA could be set up which would allow a third party to act on behalf of Mrs M. The payment was subsequently cancelled.

The third party attended a YBS branch to register a POA which was sent internally to the relevant team for processing. However, the processing was delayed due to an error made by the third party in completing the registration form. Some days later, the POA was successfully registered and Mrs M informed.

At this point, Mrs M decided to log a complaint about the delay in registering the POA, and the issue around the payment. The third party then attended a branch of YBS to request another payment for building work, but YBS explained that in accordance with their procedures, funds could only be transferred directly to the builder on sight of an invoice, or to an account in the name of Mrs M. As a result, the payment was cancelled.

YBS then completed their investigation into Mrs M's complaint and issued a final response letter. In it, they explained what had happened and said they could not agree they had made an error or acted unfairly.

Remaining dissatisfied, Mrs M brought her complaint to our service, so our investigator looked into it. After investigation, our investigator said that YBS did not need to take any action as they followed their own procedures, and they had a duty to protect their customers from potentially fraudulent activity.

Mrs M disagreed with this outcome and requested an ombudsman review her complaint saying the complaint is not about a duty of care, but about instructions from the attorney that should not have been denied by YBS.

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.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I have looked at the information YBS has supplied to see if it has acted within its terms and conditions and to see if it has treated Mrs M fairly.

I was sorry to learn that what should have been a straightforward payment process turned into a prolonged experience and complaint. I sympathise with Mrs M for the frustration she experienced. It's our role to identify if a business has made a mistake and if so, look at the impact this has had on the consumer.

If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I would like to thank Mrs M and her attorney for the further information that she has provided, before and after our investigator's view and I can appreciate their strength of feeling in this complaint.

In January, our investigator issued a very thorough view in which they addressed Mrs M's concerns about what happened with the first and second payment requests, including the branch visits. Accordingly, I don't feel the need to cover these points again in detail.

What appears to be the root cause of this complaint is Mrs M's belief that YBS should have followed her and her attorney's instruction to make the payments, regardless of the circumstances. Understandably for security reasons, YBS can't go into detail about their security and anti-fraud procedures and protocols but suffice to say, YBS is fully entitled, and are required to have in place, compliant due diligence procedures as they've explained. This is standard practice across the financial services industry, and YBS's actions were in line with common practices adopted by financial institutions worldwide to protect their customers.

Additionally, when dealing with a POA, as stated by our investigator, YBS has a duty of care to ensure that any funds withdrawn from the account are for the donor's benefit, which is endorsed by the Office of Public Guardian who also expect firms to be diligent when authorising payments.

As I've not found any evidence that YBS made errors in terms of protecting Mrs M's account, I can't hold them responsible for any financial claim that Mrs M or her attorney are lodging.

I note that Mrs M wanted me to know as the Ombudsman, that she regarded YBS' stipulation that the payments could only have been made to either the builder on sight of an invoice, or to an account in Mrs M's name, as improper and unsuitable. I acknowledge Mrs M's feeling here, but YBS are within their rights to design and implement regulator-approved processes, so I can't say that YBS were wrong in doing so.

In conclusion, for the reasons I have given, and in view of the lack of errors made by YBS, I cannot reasonably ask them to do any more.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 25 March 2025.

Chris Blamires
Ombudsman