

The complaint

Miss F complains that Family Assurance Friendly Society Limited trading as OneFamily incorrectly send funds from her child trust fund ("CTF") to the incorrect bank account provided.

What happened

Miss F held a CTF with OneFamily. On 19 July 2023, Miss F attempted to withdraw all the funds held in her CTF. In order to do authorise the withdrawal, Miss F had to upload a live photo of herself and her passport for verification. OneFamily put in a withdrawal request on 20 July 2023 and a total of £1,791.02 was transferred to a bank account in her name on 21 July 2023.

Miss F called OneFamily on 17 August 2023 to query why she couldn't access her account online. OneFamily confirmed this was because the funds had been transferred and the account had been closed.

Miss F confirmed that the bank details used for the instruction were for a bank account in her name but not the for the account she says she had provided. She explained she'd never used the card for the account before and had discovered that the funds had been transferred immediately from it to another account not in her name.

Miss F complained to OneFamily as she says she felt OneFamily had transferred her funds to the incorrect bank account.

OneFamily considered the complaint but didn't uphold it. In summary, it explained:

- It uses a third party to verify consumer's details before transferring funds from a CTF.
- It confirmed Miss F used this service and the bank details and name used for the instruction belonged to her.
- So it didn't think it had acted unfairly and suggested she contact Action Fraud.

Miss F was unhappy with OneFamily's response and so she referred her complaint to this service for an independent review.

One of our investigators considered the complaint but didn't think OneFamily had acted unfairly. In summary, they said they'd reviewed the withdrawal process and found that Miss F was required to pass the third-party verification process, as well as providing bank account details for the transfer. They felt OneFamily's security processes were adequate to ensure only Miss F could access her funds and so didn't find that OneFamily to be at fault.

Miss F didn't accept the investigator's findings. She said she was certain she provided OneFamily with different bank account details for the transfer. And so the complaint has been passed to me to decide.

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.

In order to make a finding that OneFamily has acted unfairly, I'd need to be persuaded that, had it questioned or otherwise vetted the withdrawal from Miss F's CTF in greater detail, it should've prevented it from taking place. But having considered the process Miss F followed, on balance, I'm not persuaded OneFamily would have had cause for concern when placing her withdrawal instruction. I will explain why.

I'm satisfied that OneFamily had adequate systems and controls in place to ensure only Miss F accessed her account to make the withdrawal. This was by way of using a third party to verify it was Miss F accessing the account and by requiring her to submit a live photo and an identification document. OneFamily says that once these details were uploaded, Miss F would have had to have her face scanned to log back in through the third-party verification system at a later date.

It's not disputed that Miss F instigated the verification process and provided the details required to verify the withdrawal. However, Miss F disputes that she provided the bank account details that OneFamily used to make the transfer.

OneFamily has provided our service with a screenshot of the bank details provided for the withdrawal and these confirm that the bank account was in Miss F's name. I understand Miss F disputes that this was the bank account details she gave but she accepts that this bank account was in her name and opened by her mother for her. She says she didn't have the account details to input at the time of making the withdrawal request. OneFamily says it didn't hold bank account details for Miss F and that these had to be inputted online at the time of withdrawal. So whilst I appreciate Miss F is certain she didn't input these details, I'm satisfied that the person making the withdrawal was responsible for entering these details.

Having considered that OneFamily were assured that Miss F had been initially verified correctly, had face verification set up for any future access, and it had been given bank details in her name, I don't find it unreasonable that OneFamily proceeded with the transfer without questioning the validity of the details provided.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 10 April 2025.

Ben Waites
Ombudsman