

The complaint

Mr M complains that Sainsbury's Bank Plc didn't appropriately protect the security of his loan account, which allowed him to become the victim of fraud.

What happened

In September 2024, Mr M says that a person, who wasn't him, contacted Sainsbury's pretending to be him, and was able to pass phone security and change some of the personal details on his account. Following this, two credit cards were opened in Mr M's name. And because the repayments to the cards weren't made, missed payments started appearing on Mr M's credit report.

Mr M has said this situation has caused him a huge amount of stress. His credit file has been negatively impacted, which has prevented him from being able to purchase a house for him and his children. He's also said he's had to spend a very long time trying to resolve the matter.

Sainsbury's responded to Mr M's complaint, but it didn't think it had done anything wrong. It accepted that Mr M's account had been taken over by someone pretending to him. But it said, at the time, this person had enough information to pass security, both over the phone and to access the account online. So it didn't think it had done anything wrong when it changed the details on the account.

The Investigator considered what both parties had said, but they didn't think the complaint should be upheld. Essentially, they found that Sainsbury's had followed its process when verifying who it was speaking to. They also thought that Sainsbury's had done enough to put things right when it became aware that the account had been taken over.

Mr M didn't agree. He said that it should have been clear that the person Sainsbury's was speaking to wasn't him. He said he didn't receive the text message Sainsbury's sent him at the time (because he works offshore and Sainsbury's should have known this), explaining that account details had been changed. Mr M says password security should have been in place from the start to protect his account.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

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 would firstly like to offer my sympathies to Mr M. Being a victim of fraud is understandably very stressful and upsetting. I have no doubt that he has suffered as a result of what's happened. And I don't dispute his comments in relation to how long it has taken for him to sort the matter out. In reaching my decision on this case, I don't wish in any way to downplay or disregard the situation Mr M has found himself in. But being independent means, I have to

take a step back and consider what both parties have said. And having done so, I don't find that Sainsbury's has done anything wrong.

Each financial institution will have its own policies and procedures on what security measures it feels are appropriate to protect both itself and its customers from fraud. This is its commercial decision, and this Service wouldn't usually interfere in a firm's commercial decision.

I can, though, look to see if Sainsbury's followed its own policies and procedures when implementing security measures on the account. Sainsbury's has sent me a copy of its internal guidance to show what questions it should ask when verifying a person's identity. I have also listened to the call Sainsbury's had with the third-party. Sainsbury's followed its own guidance in asking the questions, and the third-party already knew enough of Mr M's personal information to be able to pass security overall. I can't fairly find that Sainsbury's didn't follow its own security procedures when it changed the phone number and email address on Mr M's account.

Mr M has said that Sainsbury's should have known that it was speaking to the wrong person. That's because of where in the country he lives compared to where the address was changed to, alongside his regional accent. But I wouldn't have expected Sainsbury's to have questioned this – it was required to receive correct answers to the security questions it asked.

Mr M's also said that the account should have had a password to protect it (which, since the account takeover, it now has) from the start. It wasn't Sainsbury's process to have this in place initially, it has explained that it added this due to the issue that's occurred. I can understand why Mr M is frustrated it didn't, and that his account might have been more secure if it did have a password. But as I've explained, my role is to decide if Sainsbury's has done something wrong. The account didn't previously require it to be password protected during phone security, so Sainsbury's didn't do anything wrong in not having added one to the account previously. This is also in line with its security policies and procedures.

I note Sainsbury's says it sent a text message to both the new and old mobile phone number to let Mr M know his details had been updated. Mr M says he didn't get this in a timely manner, as he was working away and didn't have access to phone network to receive the message. I know Mr M thinks that Sainsbury's ought to have been aware that he wouldn't receive the message as he works away. But I don't agree. I wouldn't have expected Sainsbury's to have been aware that Mr M works abroad, even despite his occupation being on the loan application. Sainsbury's process was to send this information by text message. I don't think this is unreasonable, and I wouldn't have expected it to have made any further attempts to contact him.

I note that the third-party did fail security when they called to change the address on the account, and Sainsbury's then requested documents by post for verification. But later the same day, the third-party was able to pass verification in a different way and subsequently change the address. Mr M says Sainsbury's ought to have been aware of a problem when the documents weren't provided to it by post. I wouldn't have expected Sainsbury's to have had a cause for concern in not receiving the documents back, or that it should have monitored whether the documents had been provided or not. And in any event, the verification happened in a different way, which was part of its security process. So I can't fairly find that it did anything wrong here.

As soon as Sainsbury's discovered the account had been taken over, it acted quickly to liaise with the Credit Reference Agencies to put right the information that was being

reported. This is what I would have expected it to have done, and it wasn't required to have done more than this.

I really do have a lot of sympathy for Mr M here. Clearly, he has been through a lot trying to sort the matter out. But overall, I don't find what happened here to be as a result of something Sainsbury's has done wrong. I'm satisfied that it followed its own processes by asking the relevant security questions over the phone. It is of course very unfortunate that the person who took over Mr M's account was able to pass security and ultimately gain access to the account to change the personal details – both over the phone and online. But I can't hold Sainsbury's responsible for the actions of the third-party. And I haven't seen any evidence to suggest that Sainsbury's did anything wrong in the way it handled or allowed access to Mr M's account, so I won't be asking it to do anything more to put things right.

My final decision

For the reasons set out above, I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 July 2025.

Sophie Wilkinson
Ombudsman