

## The complaint

Mrs R's complaint relates to difficulties she's had using her account with Yorkshire Building Society (YBS) which she believes is due to a lasting power of attorney being in place.

## What happened

In July 2024 the Office of the Public Guardian validated a Lasting Power of Attorney (LPA) for Mrs R whereby the three attorneys she appointed could make decisions about her property and finances. One of the Attorneys gave the LPA to YBS and completed a form to register it against Mrs R's accounts. As part of this process YBS asked the Attorney if Mrs R had lost mental capacity or physical capacity such that she was unable to sign. The attorney answered 'no' to both questions.

On 16 July 2024 YBS wrote to the Attorney and confirmed that she had been registered as Attorney on Mrs R's accounts and that she could now administer them. It was confirmed that future correspondence would be sent to the Attorney.

YBS' processes meant that if an LPA was registered on an account, all correspondence was sent to the Attorney. YBS has highlighted that the checklist used by the member of staff that met with the Attorney required them to explain that if Mrs R still wanted to retain control of her accounts and receive correspondence, a "disclosure authority" might be a more suitable option. The checklist completed when the Attorney registered the LPA detailed that the Attorney had provided two sources of identification – their passport and an energy bill.

In December 2024 Mrs R had attended a YBS branch with another person with the intention of drawing a cheque for the benefit of the person accompanying her for services provided. YBS was concerned about potential for coercion or fraud. In light of that, the branch asked Mrs R some questions and it also decided to speak to the Attorney. The contemporaneous notes from the time show that the Attorney said not to proceed, as Mrs R wanted to pay the person more than was due for the services provided. Due to concerns the conversations with Mrs R and the Attorney raised with YBS, it said that it would require an invoice from the builder before it would allow funds to be paid out.

An invoice was presented five days later. Again, YBS spoke to the Attorney, who confirmed that work had been done and that if Mrs R wanted it to, the transaction should go ahead. Mrs R had requested a cheque, but a faster payment was processed instead. It didn't go through as it was flagged for additional security checks by YBS' systems. The payment was eventually completed on 14 January 2025.

Subsequently, Mrs R asked for the LPA to be removed from her account, as it had only been put in place "just in case". Mrs R was asked for a signed letter to confirm this, which she provided in June 2025. The LPA was removed from the account on 9 July 2025.

A complaint was made by Mrs R and on 14 July 2025 YBS responded to it. The complaint was upheld in part and YBS acknowledged that there had been communication issues and Mrs R hadn't received the level of service she should have – it said it would be sending her a cheque for £300 as compensation for the upset and inconvenience she suffered. YBS sent

the cheque the following day. However, YBS did not consider that it had acted incorrectly in relation to the LPA or how it had handled the transaction complained about.

Mrs R was not satisfied with the response she received and asked us to consider the complaint. She explained to us that she has a medical condition and as such, she made arrangements for a LPA to be put in place in the event that she was not able to manage her affairs. However, that was not the current situation and was not in December 2024, and she is unhappy that YBS required the Attorney to be involved in all transactions she completed. In addition, she has explained this situation caused delays in her being able to make a payment for building works she'd had completed in 2024.

One of our Investigators considered the complaint, but he didn't recommend that it be upheld. He explained that YBS was entitled to put in place policies and procedures and what it had done in relation to correspondence following the LPA being given to it followed its procedure at the time. He noted that after Mrs R asked for the LPA to be removed, this had been done and YBS was now communicating directly with her. In relation to the December 2024 transaction, the Investigator explained that YBS had had concerns over the transaction in question and it was not unreasonable for it to have taken action to protect Mrs R and her money from potential harm. He concluded that YBS had acted appropriately and that the compensation amount was fair in the circumstances.

Mrs R did not accept the Investigator's conclusions. She thought that YBS had registered the LPA incorrectly – as she believes that it thought she had lost mental capacity - and she considered the Investigator had completely ignored the fact that the person who accompanied Mrs R to the YBS was a long-term family friend.

In addition, Mrs R stated that she had been told that the reason for the transaction being stopped was due to the Proceeds of Crime Act 2002 and as it was an ongoing investigation, YBS could not tell her the reason for the transaction being stopped, as it could be "tipping off". She felt that YBS should have discussed the matter with her in order to get it resolved. She said that despite the transaction having subsequently been allowed, she had still not been told what crime was being investigated.

Furthermore, Mrs R said that she doesn't think she should have needed to write to YBS to revoke the LPA. She also said that she had not been told that YBS had changed the name on her accounts and that it did not ask for ID from the Attorney or require account validation.

The Investigator considered what Mrs R had said, but he was not persuaded to change his conclusions. As such, the complaint has been passed to me to consider.

### **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 explain that in accordance with the law, regulations and good industry practice, a bank or building society should be on the lookout for and protect its customers against the risk of fraud and scams so far as is reasonably practicable. If it fails to act on information which ought to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result. Banks and building societies have to strike a balance between the extent to which they intervene in transactions to try to prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing their customer.

Sometimes security processes can mean that a legitimate transaction can cause concern that results in the bank or building society placing restrictions on an account. While this can

cause inconvenience to a customer, it doesn't necessarily mean that the bank or building society has acted incorrectly or unfairly.

I am aware that the tradesman Mrs R was trying to pay was someone she had known for a long time and that she considered a family friend, and so she didn't think there was anything to be concerned about. However, YBS was presented with what might be a vulnerable customer who wanted to empty one of their bank accounts to significantly overpay a tradesman, and that tradesman was escorting her to the branch to receive the money that was being withdrawn. Any banking institution would quite reasonably have had concerns about what was happening and whether Mrs R was, at the very least, being taken advantage of and coerced in some way to make the payment.

As there was an LPA registered on the account Mrs R wanted to take the money out of, YBS called the Attorney to ask their opinion about the transaction. The Attorney also had some concerns about the transaction and said that they would speak to Mrs R about it. In the circumstances, I don't consider that it was inappropriate for YBS to decline to complete the transaction at that time. It did not, however, say that it would stop Mrs R from paying the tradesman, but it wanted an invoice to be provided so that it could be satisfied that Mrs R was not being coerced, scammed or defrauded in some way.

When Mrs R provided the invoice YBS completed further checks to ensure that the tradesman was a legitimate business. It also again spoke to the Attorney, and it was confirmed that works had been done to Mrs R's home and payment was due. As such, YBS was satisfied that the invoice was genuine and it was safe for Mrs R for the payment to be made. It suggested making the payment by the faster payment method rather than a cheque. It is unfortunate the transaction was stopped, but again, it was down to YBS' systems attempting to protect Mrs R and her money from potentially fraudulent activities. I can't fault YBS for the actions it took in the circumstances.

While Mrs R has said she thinks how YBS handled the transaction was due to it assuming she had lost mental capacity, I am not persuaded that is the case. Indeed, when the LPA was registered it asked the Attorney that very question and received a 'no'. Furthermore, a consumer being coerced, scammed or defrauded is not reliant on them lacking mental capacity, although that would potentially make it easier for it to happen. In the circumstances of this case, I am not persuaded that the actions YBS took were due to it incorrectly thinking that Mrs R didn't have capacity to run her finances. I am satisfied that YBS would most likely have acted in the same way, other than the call to the Attorney, even if the LPA had not been registered.

Mrs R has complained that she was not made aware of the detailed concerns YBS had. As I have explained above, YBS had concerns that Mrs R was being coerced, scammed or defrauded. Those actions by the third-party would be considered a financial crime. When a financial institution is investigating such a crime, it has to be very careful not to do or say anything that could potentially make the perpetrator of the crime aware that they are being investigated – tipping off – and thereby allow them to, ultimately, evade justice. That applies to all organisations involved in such matters. So YBS could not have given Mrs R any details about its concerns or its investigations, even if she had wanted to know.

As for the process for an LPA to be registered against Mrs R's accounts, I note that she has said the Attorney was not asked for identification. Having looked at the records from the time, that doesn't appear to be the case – it was recorded that two forms of identification were provided by the Attorney. As for YBS requiring Mrs R to put her request to remove the LPA from her accounts in writing, it required the request to have it attached to be made in writing and I don't consider it was unreasonable for the removal to be done in the same way.

Mrs R has said that she was not told that her name would be removed from her accounts when the LPA was registered. Mrs R's name was not removed from the accounts, and she was not stopped from doing anything with them. The only difference the LPA made was that the correspondence about the accounts, e.g. statements, were sent to the Attorney. This was clearly not something that Mrs R was happy about, and while the Attorney was told they would receive future correspondence, I am not sure that the Attorney would necessarily have understood that this meant Mrs R would no longer receive any.

That said, YBS has accepted that the service Mrs R received was not what it should have been – in that her not being informed about this issue, or that the LPA had been registered was not a good outcome for her. It has also apologised for the lack of privacy Mrs R experienced during discussions about the transaction. It paid Mrs R £300 compensation for the upset and inconvenience this caused her. While I note that she did not want any such compensation and has passed it on to charity, in the circumstances the payment was appropriate for YBS to have made, and the amount was commensurate with the circumstances. YBS has also said that it is looking into its process for handling LPAs and, as I can't tell a financial business what its processes should be, this is all that I would be able to ask of it.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs R to accept or reject my decision before 20 February 2026.

Derry Baxter  
**Ombudsman**