

complaint

Miss B, via her representative, complains that Lloyds Bank Plc ("the bank") is holding her responsible for a large number of transactions from her account that she says she didn't make, and that it should refund her.

background

From August 2013 until February 2014, 57 payments were made from Miss B's account using online banking, none of which she says she made or authorised. The payments totalled £5,299.

Miss B's mother tongue is a non-English language. As such, she had the help of a friend in interpreting for her in meetings with the bank, and also in helping her set up online banking.

Miss B believes that she has been a victim of fraud, and that the bank should refund her.

The bank said that it couldn't refund her as it had properly followed all of its own security processes; that she'd allowed the payments to be made from her account over a long period of time during which it would have expected her to have noticed them; and that she'd failed to keep her online banking details safe and secure.

Miss B complained to this service. Our adjudicator considered all of the evidence and concluded that it wouldn't be a fair outcome of the case to ask the bank to refund Miss B.

Miss B disagreed and sought referral to an ombudsman. Her representative argued that she'd been a victim of crime, and that the bank should be doing more to return her money to her.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'm satisfied that our adjudicator was correct in his view that the complaint couldn't succeed, and I say so for the following reasons:-

It seems fairly clear that Miss B has been defrauded by the friend who had been helping her with her financial affairs. On the basis that she allowed him to set up her online banking, as well as taking him into branch to discuss the reason for a block having been placed on her account following the adding of a new payee, she clearly made herself very vulnerable and open to being defrauded.

While I can see the difficulties she had in not speaking or reading English well, and also in not being computer literate, she still had a duty to protect her own account and she failed to do so. If she had problems in communicating with the bank she should have approached it to see whether there was anything it could do to assist her. In choosing to enlist the help of this friend I think she took a very big risk, and unfortunately it ended very badly for her.

I think it's safe to conclude that if Miss B asked this friend to set up her online banking, he also helped her select a password as part of the registration process. This was a critical breach of the terms and conditions Miss B had agreed to when she opened her account.

I also note a contradiction in Miss B's submissions, whereby she says that she's not computer literate, yet she wanted online banking to be set up. This doesn't make much sense.

Further, it's not clear whether this matter was ever reported to the police, which in the circumstances I would expect it to be. If Miss B hasn't chosen to do so I would question why, as not only might this apprehend the fraudster and protect her and others from his crimes in future, it might also be able to get her some of her money back.

As for the matter of the friend mis-translating what was said when Miss B visited the branch to discuss the account block, and again where the HMRC letter was shown to branch staff, I don't see what else the bank could have done in these scenarios.

As far as it was concerned it had taken the proper security precaution in blocking Miss B's account until she verified that the addition of the new payee was legitimate. In both meetings it had no reason to think that the translator was deliberately mis-translating. Miss B had brought him to the meetings, and there was no obvious problem between them, so I think it was reasonable for the bank to think that he was trusted and was translating properly.

I also think that, even where there is a language barrier, matters such as body language and facial expressions would also indicate the type of discussion being had, and any resolution reached. I'm not convinced that Miss B was so completely unaware as to what was happening, and the matters being discussed, that she truly had no idea what was going on.

Ultimately, I'm satisfied that Miss B allowed her secure banking information to be breached over a period of over six months, and during that time she never noticed the large sums of money she was losing from her account. If she wasn't computer literate, and therefore wasn't going to be able to monitor the activity on her account, she shouldn't have set up online banking to begin with. And in particular she should never have allowed her friend to have access to her password, particularly where she wasn't going to be able to monitor her account to ensure that nothing was happening that ought not to have been.

It seems to me that the person to be blamed for the loss of Miss B's money is the friend she trusted, and who betrayed her. While Miss B does have my genuine sympathy for what has happened to be, it simply wouldn't be fair for me to find the bank responsible for her losses.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Miss B to accept or reject my decision before 20 April 2015.

Ashley L B More
ombudsman