

## **Complaint**

Money was fraudulently withdrawn from Mrs G's account with TSB Bank plc. She complained because TSB didn't sort it out promptly, didn't respond to her letters and phone calls, and gave her poor customer service.

Mrs G, who is represented by her son, would like:

- TSB to admit it was wrong;
- a written apology;
- her credit score returned to the situation before the frauds; and
- more compensation.

## **Background**

Between July 2017 and October 2017, money was fraudulently taken out of Mrs G's account with TSB, by someone who was living in Mrs G's home at the time. The fraudster obtained access to Mrs G's bank details, registered for internet banking and moved Mrs G's money into accounts in the fraudster's own name.

At the end of October 2017, Mrs G found out what had been happening and visited a TSB branch. She was unhappy with the customer service, saying that she was initially told to go and look at her bank statements. She went back, and was unhappy that her request to talk to someone in private, and her request to speak to a manager, were both refused. When Mrs G did speak to a manager, she was warned she might not get all her money back. Mrs G was given a phone number to report the fraud – but direct debits continued to be taken out, even after she'd reported the issue. Mrs G reported these direct debits too, in March 2018.

TSB didn't respond adequately to Mrs G's complaint. She wrote four times between December 2017 and March 2018, and rang several times too, but didn't get a reply. She said TSB phoned her once, but asked her security questions which the fraudster had set up – so she couldn't answer them. She wrote again in May 2018.

TSB did refund the payments, debit card spending, and direct debits. But it didn't send Mrs G a final response letter replying to her complaint.

Mrs G, represented by her son, complained to this service. She told us what had happened, and said that TSB hadn't replied to her, had refused to discuss it with her because the fraudster had changed the security details, and had ruined her credit score. Mrs G also told us about health issues which had been worsened by the worry about TSB's failure to reply and sort the problem out.

The investigator upheld Mrs G's complaint. He obtained TSB's account of what had happened. TSB said it hadn't got the crime number until 24 November 2017, and it said Mrs G hadn't reported some of the transactions - the direct debit part of the fraud - until March 2018. TSB also pointed out that Mrs G couldn't have been monitoring her bank statements between July and October 2017 when the fraud had happened.

But the investigator said that after Mrs G visited the branch in autumn 2017, and told the bank about the fraud transactions she knew about, TSB hadn't passed this on to its fraud department. And it hadn't investigated Mrs G's complaint until 27 March 2018, when it refunded transactions. So the investigator's view was that TSB should:

- pay Mrs G £500 compensation for distress and inconvenience;
- add 8% interest to the fraudulent transactions which it had refunded; and
- amend Mrs G's credit file, which Mrs G had said had been affected.

Mrs G wasn't satisfied. Her representative confirmed that TSB had now refunded all the disputed money, but said that Mrs G expected a written apology from TSB and the branch managers who had treated Mrs G so badly. TSB hadn't written to her despite several letters, visits to the bank and phone calls, which had led to medical problems. Mrs G's representative also said that she wanted TSB to put her credit score back to what it was before the money had been stolen. The representative initially said he thought £10,000 compensation was fitting, but later amended this to £2,000.

## **My findings**

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

The facts of what happened aren't disputed. So the question for me to consider is what compensation would be fair and reasonable.

This service looks at two aspects of compensation: financial loss, and non-financial loss. Looking first at financial loss, Mrs G's representative told us that TSB had refunded all the fraudulent payments. But I note that TSB didn't make any payment for interest on that financial loss. Mrs G was without the use of her money for many months. So I find that TSB should pay Mrs G interest on the refunded fraudulent transactions. This should be calculated at 8% simple from the dates Mrs G reported the problem, to the dates when the bank refunded the money.

Turning to non-financial loss – the distress and inconvenience caused here - it's clear that TSB provided poor service to Mrs G. It shouldn't have taken from the end of October 2017 to the end of March 2018 to refund the transactions which Mrs G initially reported. TSB had the crime number from the police by 24 November 2017 but it still delayed. And because TSB didn't completely block the accounts at that point, fraudulent direct debits were paid out too.

I also accept Mrs G's word that branch staff weren't helpful and considerate at what was a difficult and worrying time. It was particularly poor that TSB repeatedly failed to reply to Mrs G's worried letters, phone calls or visits to the branches.

I've carefully considered the amount of compensation which TSB should pay Mrs G for the distress and inconvenience caused by its delays and failure to sort out the fraudulent activity on Mrs G's accounts. Clearly it was very upsetting to suffer both the worry of the fraud, and the failings of TSB to sort things out. I note what I've been told about Mrs G's health issues, too, which would have made the worry much more significant. So I find that TSB should pay Mrs G compensation for the distress and inconvenience which it caused her. But Mrs G's representative's request for £10,000 or £2,000 are out of line with the figures which this service would award for similar cases. I find that £500 is fair and reasonable.

Looking at the other aspects which Mrs G has said she'd like as the outcome to her complaint:

I consider that it's entirely fair that TSB should send Mrs G a formal written apology for all the mistakes and very poor customer service it provided. Mrs G would specifically like TSB to admit it acted wrongly in dealing with the problem.

Mrs G has asked for her credit score to be corrected by TSB, so it shows the same as it did before the fraud. I don't have details of Mrs G's credit file, so I can't see specifically what markers TSB may have put on her credit file. However I consider that it would be fair and reasonable for TSB to remove any such markers. This relates, of course, only to any adverse information recorded on the credit file which resulted specifically from the fraudster's actions on Mrs G's TSB accounts, and not on whatever any other financial institutions may have recorded. I note that Mrs G's representative has said Mrs G doesn't expect to have to do this herself. In fact any markers could only be amended by the bank. The way the system works is that financial institutions send records to the credit agencies – but financial institutions don't have the power to set any specific credit score. Credit scores are determined by the credit agencies, after taking into account all financial dealings an individual has. Mr G's representative will want to be assured that TSB has corrected and removed any adverse markers the bank may have put on Mrs G's credit file. So I'd suggest that he keeps a check on what happens with Mrs G's credit file.

### **My final decision**

My final decision is that I uphold this complaint and I order TSB Bank plc to:

- send Mrs G a formal written apology for the mistakes and very poor customer service it provided. Mrs G would specifically like TSB to admit it acted wrongly in dealing with the problem;
- remove any adverse credit information which it reported against Mrs G's credit file as a result of the fraudulent activity on her accounts;
- pay Mrs G interest on the fraudulent transactions which it failed to refund promptly. This should be calculated at 8% simple from the dates Mrs G reported the problem, to the dates when the bank refunded the money;
- pay Mrs G £500 compensation for the considerable distress and inconvenience caused by its delays, poor customer service, and failures to respond to Mrs G's repeated contacts and requests for help with the fraud problem.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 13 October 2019.

Belinda Knight  
**Ombudsman**