

Complaint

Mr W complains that The Co-operative Bank Plc wrongly reported him to the police. He's explained the impact this has had on him. He would like money returned to his account and sizeable compensation.

Background

Mr W provided financial advice over many years to a lady who I'll call Mrs A. During this time, Mr W was appointed as her joint attorney. Several years later Mr W was still helping Mrs A and, at her request, began to also provide other help, such as cleaning her home, which Mrs A paid him for every month.

Mr W took over more responsibility for her everyday finances. To make matters easier, Mrs A authorised him to have a third party mandate on her accounts.

Mr W realised Mrs A's deposits with The Co-operative exceeded the limit for financial compensation. He recommended to Mrs A that they put her sole account in joint names so that twice the level of compensation would be available. But the application to do so wasn't successful because of Mr W's credit record. So, instead, they applied for Mrs A to be added to Mr W's sole account. Mr W then arranged to credit that account with around £29,000 from Mrs A's sole account. The transfer was made, but The Co-operative did not agree to add Mrs A's name to Mr W's account. The result being that Mrs A's money was transferred to Mr W's sole account.

Mr W says he told Mrs A what had happened. And she said the money should stay in Mr W's account. He's explained that she gifted him money in the past, so this wasn't an unusual decision.

Mr W then opened an account in his name with a third party bank to obtain a higher rate of interest. He gave instructions for three amounts totalling £27,000 to be transferred from his account with the Co-operative to this account.

He then tried to do the same for Mrs A, opening an account at the third party bank and giving instructions to The Co-operative to transfer £20,000. The Co-operative refused. So Mr W sent it the power of attorney.

The Co-operative investigated and became concerned about the activity on Mrs A's accounts. So it referred the matter to the Office of Public Guardianship and the police.

Mr W told us he was arrested in February 2017, his assets were frozen, and he was not allowed to contact Mrs A. The third party bank returned the money received in Mr W's account. But, rather than it being credited to Mr W's sole account – where it had been transferred from – it was credited to Mrs A's sole account – where it had originated from.

After a year, the police dropped its investigation and no charges were brought against Mr W.

Mr W says The Co-operative should not have reported him to the police. He wants The Co-operative to:

- Repay him the £27,000 which Mrs A had agreed to gift to him.
- Pay him £7,200 – the income he lost when he was no longer able to continue helping Mrs A.
- Compensate him substantially for the anxiety and distress caused.

Our investigator's conclusions

Our investigator didn't recommend the complaint should be upheld. She concluded that The Co-operative had acted reasonably under its duty to safeguard its customers.

Mr W didn't agree. He said, in summary, that

- All the transactions were undertaken in line with his authority to act on Mrs A's behalf.
- The investigator made assumptions based on information provided by the bank which he's not been allowed to see.

My findings

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

Mr W complained to the third party bank for returning the payment of £25,514.77 to The Co-operative. This is the subject of a separate complaint which has been referred to this Service. This decision is only about whether The Co-operative did anything wrong.

I have considered whether The Co-operative was right to make a report to the police. And whether it was right to ask Santander to return the money Mr W had transferred and to credit it to Mrs A's sole account.

Banks have a duty to safeguard all of their customers, particularly those who may be vulnerable. The Co-operative was alerted to the transactions on Mrs A's account and it investigated. I think it was reasonable for it to be concerned. A large sum of money had been transferred from Mrs A's sole account to Mr W's sole account with another bank. I've set out above how this came about and Mr W says Mrs A agreed he should keep the money. But the bank hadn't seen anything to suggest that Mrs A had given her authority to transfer the money into Mr W's sole name. Mr W then sent the bank the power of attorney but, taking into account all the transactions on Mrs A's account, the bank thought it had enough information to make a report to the police. After giving this very careful consideration, I don't think the bank acted unreasonably in doing so. Mrs A was vulnerable, and the bank had enough evidence to raise its concerns with the appropriate authorities.

The impact of the police investigation was obviously very distressing for Mr W. But I don't find The Co-operative did anything wrong. And it wasn't responsible for the action the police decided to take as a result of the Co-operative's report. It follows that I don't find the Co-operative was responsible for Mr W not being able to continue to provide his services to Mrs A and that it does not need to compensate him for the income he says he has lost as a result.

Mr W told us that, following the police investigation, all charges were dropped. But The Co-operative received enough information for it to be satisfied that the transfer of £27,000 was carried out without Mrs A's permission. Due to the General Data Protection Regulation, the bank – and ourselves – cannot share this information with Mr W. He told us that it's likely that an old lady in a nursing home has had her mind changed regarding what's been previously agreed. And I accept that's possible. But Mr W hasn't provided any evidence to show that Mrs A freely gave instructions to transfer the money to Mr W. Based on what I have seen, I think the Co-operative has acted fairly in returning the money to Mrs A's account.

I'm aware Mr W will be unhappy with my decision. He is of course free to reject my decision and pursue this matter through other means should he wish to do so.

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 Mr W to accept or reject my decision before 1 May 2020.

Elizabeth Dawes
Ombudsman