

## **complaint**

Mrs B's complaint is that National Westminster Bank Plc ("Natwest") was negligent in paying out her ISA to a fraudster.

## **background**

In around July 2006 Mrs B, and her husband (now divorced) took out investment ISAs with Natwest, for £8,000 each.

In March 2009, Natwest received a letter bearing Mrs B's signature asking to withdraw her full ISA funds and place them in her personal Natwest account. This instruction was carried out.

Mrs B's complaint is that she didn't write the letter. She says her husband, who's since been convicted of fraud, had forged her signature, and then spent the transferred sum.

She believes that Natwest should refund her the lost money, with interest, because it failed to take enough care when it received the withdrawal letter. Mrs B says Natwest should have been suspicious because the withdrawal at that point, before the ISA matured, entailed a large loss to the initial investment. She also says that she wasn't notified that the withdrawal had been carried out, so didn't have the chance to query it.

Mrs B believes Natwest should have applied more scrutiny to the withdrawal request, and that had it done so, her money would have been preserved.

Natwest responded, saying it didn't believe it had made a mistake. It explained that the signed letter bore a signature bearing strong similarities to Mrs B's, and the money had been transferred into her sole account. On this basis, it thought it had acted reasonably.

Mrs B didn't agree, so brought her complaint (via her representative) to this service.

Our adjudicator considered the evidence, but agreed it wasn't fair and reasonable to hold Natwest responsible for the fraud that was committed. Having seen the forged signature, she felt it wasn't so dissimilar to Mrs B's genuine one that it would have aroused suspicion. And also the fact that the money was to be paid directly into Mrs B's sole account wasn't something that appeared untoward. On this basis, she said she couldn't ask Natwest to repay the money to Mrs B.

Mrs B disagreed. She reiterated that she was the unwitting victim of fraud, and that it didn't feel fair that she, and her children, should have to suffer financially when Natwest had insurance cover for such events. She felt that because it had been established in court in 2015 that her ex-husband had been defrauding his employer, for a number of years previously to fund a gambling addiction, that this should be enough to establish that Natwest was wrong to release her ISA money in 2009.

She asked for an ombudsman's review.

## **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 genuinely sorry to hear what Mrs B and her family have been through. And I can understand why she feels let down.

We know now that Mrs B's ex-husband has been convicted of fraud. And this of course lends itself to a strong suspicion that in March 2009 he took Mrs B's ISA money without her knowledge. While I believe what Mrs B says about this, it would be remiss of me not to mention that other than this circumstantial evidence, we have no direct evidence that this is what happened.

In any event, that's not the most important consideration point for me in this complaint. What I have to look at isn't what we know now, but what was known in March 2009, and whether Natwest's actions at that point were reasonable or not.

In 2009 Mr B's criminal activities hadn't yet been uncovered, so he wasn't under any suspicion. By Mrs B's own admission, he largely dealt with her finances, to the point where she couldn't always gain online access to her accounts, noting that her security information appeared to have changed.

This means that in March 2009, when Natwest received the signed withdrawal letter, it had no reason to be concerned about what it was being asked to do, and Mrs B at the same time wasn't directly aware of what was happening with her own financial affairs. This combination of factors contributed in allowing Mr B to do what he did, but I can't say that it was Natwest's fault that he did so, and that it should bear responsibility for it.

Natwest received a letter with clear instructions, and a signature that resembled previous signatures it held for Mrs B. I think that this, and the fact that the money was going into her own sole account, was a reasonable basis on which it carried out the instruction and transferred the money. While we know now that potential evasive action could have been taken, we only say so with the benefit of hindsight. I can only consider the circumstances at the time, and I don't think there was anything it should have done then that it failed to do.

Once again, I'm truly sorry for Mrs B's situation. But it wouldn't be fair for me to ask Natwest to return her money.

### **my final decision**

My final decision is that I won't be asking National Westminster Bank Plc to take any further action to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 4 December 2017.

Ashley L B More  
**ombudsman**