

complaint

Mrs H and Mrs J complain that Clydesdale Bank Plc (trading as Yorkshire Bank) has refused to refund disputed transactions on their joint bank account. Mrs H and Mrs J want Yorkshire Bank to refund the money.

background

Dates are central to this complaint.

Mrs H and her sister, Mrs J, had a joint bank account with Yorkshire Bank. Mrs J says she wanted to apply for a mortgage. She gave all her financial information, including her debit card details, to a third party, who said he was an investment banker, whom she met on the internet. He turned out to be a fraudster.

Mrs J's card details were used to make a number of large transactions with an online gambling company between 21 and 30 January 2013. She says she did not authorise these and the bank should have blocked the transactions as they were not in line with her previous account usage.

Yorkshire Bank rejected Mrs J's claim for fraud as she had admitted to giving the fraudster her account details. The bank also said it had highlighted some large transactions to the gaming company to Mrs J when she contacted the bank on 28 January 2013 – Mrs J did not question them at the time. Mrs J was not happy with Yorkshire Bank's response so referred the matter to this service.

Our adjudicator investigated the matter. It was clear Mrs J had placed a lot of trust in the fraudster:

- She had transferred some money to him to start the mortgage process.
- She had called the bank on 28 January 2013 on the instructions of the fraudster to 'unblock' her card.
- The fraudster's communication with Mrs J made reference to possible (incorrect) transactions with the gaming company and that these would be returned – but she needed to contact the bank to confirm she (still) had her card. This would ensure the money was not prevented from being returned to her account.

But the adjudicator did not believe Yorkshire Bank had done anything wrong – and did not recommend the complaint should be upheld.

Mrs J did not agree with this view so the matter has been referred to an ombudsman for a final decision. She is adamant she did not give authority to withdraw money from her account and that Yorkshire Bank had failed in its duty of care to look after her money.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same conclusion as the adjudicator. I am sorry to disappoint both Mrs H and Mrs J.

It is clear to me that Mrs J has been the victim of a cruel scam. I do not doubt the strength of her feelings on this matter. As a result of the fraudster's deceit, Mrs J and her sister have lost a large sum of money and they have my sympathy. But I do not believe it would be reasonable to direct Yorkshire Bank to make good the money they have lost at the hands of the fraudster.

The fraudster was very convincing. There seems little doubt that Mrs J provided him with all of her financial information – a decision she now clearly regrets. I accept she may not have given the fraudster any specific authority to use her account details as he did. But it does seem strange that Mrs J would give him enough information to make online transactions. These normally require information over and above the normal account information; that is the sort code and account number. So I might expect her to have been suspicious earlier on in the process.

Having made some large transactions to the gaming company, he contrived a situation so that Mrs J would contact the bank and become aware of them – but not highlight them as being suspicious.

Like the adjudicator, I have listened to Mrs J's telephone call to the bank on 28 January 2013. She tells the bank that her debit card has been refused at a cash machine. This is not the case – but she appears to have been completely taken in by the fraudster and used this as the reason for ringing the bank.

Having had a discussion with her (the account holder) where large transactions to the gaming company are mentioned, I cannot see why Mrs J would expect the bank to:

- try to recall the two earlier ones (on 21 and 24 January 2013);
- block any of the four made on the day she contacted the bank (28 January); or
- block the two made in the following two days.

So I do not consider Yorkshire Bank failed in any duty of care to Mrs J.

I am sure both Mrs H and Mrs J will be disappointed with this, but I do not believe I can fairly direct Yorkshire Bank to refund the money Mrs J lost due to the actions of a fraudster.

my final decision

For the reasons I have given, my final decision is that I do not uphold Mrs H and Mrs J's complaint.

Andrew Davies
ombudsman