

complaint

Mr S complains The Co-operative Bank Plc ("Co-op") won't refund a payment he says he was tricked into making.

background

Mr S called Co-op to make a transfer of £1,200. He believed he was sending money to a landlord for a deposit on a rental property. But a few days later Mr S was concerned that something wasn't right because he'd been unable to contact the landlord. He contacted Co-op for help.

Co-op got in touch with the bank that received the money to see if it could be returned. But the money had already been withdrawn from the account. Co-op explained to Mr S that there was nothing further it could do to help him. But it offered him £25 compensation because Mr S had to call twice before being put through to Co-op's fraud department.

Our investigator didn't think the complaint should be upheld. She acknowledged that Mr S had been tricked into sending money. But she agreed that Co-op had done everything it could've to try and return Mr S' money. She said it had contacted the receiving bank to see if any money remained in the account. She concluded that because the money had already been withdrawn, Co-op couldn't do anything more.

Mr S didn't agree. In summary he said:

- He wasn't happy Co-op had referred to this as a scam rather than fraud. The bank has made it sound like it was his fault, but he had no idea the landlord wasn't genuine.
- Co-op had refunded him before when there was fraud on his account, so it's being selective about when it does this.

The complaint has been passed to me for a final decision.

my findings

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

I'm sorry to hear Mr S has been tricked into making a payment he thought was genuine. And I understand this will be very upsetting for him, but I don't think Co-op needs to refund the payment he made. I'll explain why.

Mr S says Co-op gave him a refund previously when there was fraud on his account. But those circumstances were very different. In the previous case, someone had accessed Mr S' money without his permission. But for the payment in January, Mr S authorised the payment. So I don't think Co-op has treated him unfairly.

Mr S asked Co-op to make the payment so there was no reason for Co-op to stop it. Because the money was sent to an account at a different bank, Co-op had no relationship with the account holder. All it could do was ask the receiving bank to try and retrieve the money – which is what Co-op did. Unfortunately the receiving bank wasn't able to return the money as it had already been withdrawn by the time Co-op had contacted the bank. There was nothing further Co-op could've done. So I don't think Co-op has done anything wrong.

I have a lot of sympathy for Mr S given what's happened, especially as he thought he was making a genuine transaction. But I have to consider if Co-op are at fault, and I don't think it is. Co-op followed Mr S' genuine instructions to make the payment. And when Co-op was informed of the scam, it contacted the receiving bank to see if the money could be retrieved. Unfortunately, none of Mr S' payment remained in the account, so Co-op couldn't do anything more to help him. Taking everything into account, I don't think Co-op needs to compensate Mr S for his loss.

Lastly, when Mr S initially called to report the scam, Co-op accepts it didn't put Mr S through to its fraud department when it should've. But Mr S did call back the same day and was put through correctly the second time. Because the receiving bank has confirmed that the third party had already withdrawn the money by the time Mr S made the first call, this error didn't materially change anything. For this reason, I think the £25 compensation Co-op has paid is fair in the circumstances.

my final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 September 2017.

Tero Hiltunen
ombudsman