

complaint

Miss W, who is represented by her mother, Mrs M, complains that Bank of Scotland plc treated her badly in its handling of fraudulent traveller's cheques she deposited.

background

In July 2015 Miss W deposited some traveller's cheques at a local branch. They had been given to her as payment for some work she had done for company. The cheques were fraudulent. Miss W says she asked if they were ok as she had never handled this type of cheque before and was told they were. She then paid out money from the account. She returned a couple of days later with more traveller's cheques and says she was told she needed an invoice.

She contacted the payer who said that if she split the amount she wouldn't need an invoice. She returned to the bank the same day and was asked to wait while the bank obtained confirmation they were ok. Shortly afterwards the police arrived and Miss W was questioned in a glass room which was exposed to public view. She was arrested and charged by the police, but the charge was subsequently dropped before it came to court.

Several weeks later Miss W visited the branch and asked that her account be unfrozen and the bank agreed to this. It wrote to her to say that it had given her the benefit of the doubt and it also didn't seek the return of the money lost due to the fraud.

It rejected Miss W's complaint and so the matter was brought to this service where it was considered by one of our adjudicators who didn't recommend that it be upheld. She concluded that at the time, and with the information held by the bank, it was entitled to call the police. The bank had followed its processes for handling traveller's cheques and had acted reasonably in calling the police. She didn't think the bank had sought to embarrass Miss W by allowing her to be interviewed by the police in view of the public.

Mrs M didn't agree. She said her daughter was an innocent victim and the bank should have spotted the cheques were counterfeit. She considered that other banks have procedures and training such that potential fraud is better identified and their customers protected. She also considered the bank to be at fault for the location of the police interview and in delays in the subsequent legal process.

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 can appreciate that Miss W has faced a difficult time, for which she has my sympathy, but I find myself in agreement with the adjudicator. Miss W was handling forged traveller's cheques and it was reasonable for the bank to consider she may be complicit in the attempted fraud. She deposited the initial forged cheque and then used the funds to make a payment to a third party. She attempted to repeat the exercise two days later. While she may have been an unwitting victim in the fraud she was part of it and at the time the bank had to make a decision based on the available evidence.

At that time it couldn't say with any certainty that she was innocent and I don't consider it was unreasonable for it to have called the police. Once the police became involved the

matter was taken out of the hands of the bank. The police used the bank's premises to conduct an initial interview and I can't hold the bank responsible for providing an office. I can appreciate that Miss W will have found the whole process distressing and embarrassing, but the bank took reasonable steps to protect itself from fraud. I would add that it did lose out as it didn't seek restitution of the funds from Miss W.

I don't consider I can comment on the subsequent court proceedings and the bank's involvement. I appreciate Miss W and her mother will be disappointed with my decision, but regrettably fraudsters come in all sorts of guises including those who pose as innocent young girls and the bank has duty to act if it suspects fraud.

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 Miss W to accept or reject my decision before 9 October 2017.

Ivor Graham
ombudsman