

complaint

Mr S was a victim of fraud by a customer of National Westminster Bank Plc (NatWest). He complains that the bank was negligent in opening and maintaining an account of a fraudster.

background

Mr S paid £749 into an account held with NatWest for a television. He didn't receive the television and was a victim of fraud. He told the bank about the fraud but by that stage the bank said the fraudster had taken all of the money out of the account. Mr S then complained to the bank that it had allowed an account to be used for fraudulent payments and it shouldn't have opened the account in the first place. He would like the bank to pay him back the £749 as he says it acted negligently.

The bank doesn't accept doing anything wrong. It says it carried out Mr S's instructions in making the payment and can't monitor every account on a daily basis to ensure transactions are genuine. It also says that identification and relevant documents would've been taken when this account was opened.

Mr S complained to us and our adjudicator didn't uphold his complaint. He didn't think the bank had done anything wrong. He thought that the bank had carried out Mr S's instructions in making the payment. He also thought that Mr S's complaint about the setting up of the account wasn't something he could look at.

Mr S doesn't accept that view. He says the account was purely set up for fraudulent gain and that the usual formalities can't have been carried out when the account was opened. He says that if they had been, the bank would've had concerns about this account.

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've come to the same overall conclusion as the adjudicator. I understand how angry Mr S must be having been the victim of fraud, and I realise he will be disappointed by my decision.

I don't think the bank made a mistake in making the transfer Mr S asked it to make. It sent the money to the account Mr S told it to. He reported the fraud to the bank on 20 March 2015, but by that stage I'm satisfied that his money had gone. I've seen the statements of the account Mr S transferred the money to. It shows that a large withdrawal was made that same day. I think it was too late for the bank to do anything when it became aware of the problem.

I can see why Mr S thinks the bank didn't do enough when it opened an account for the person he paid. But we don't have a free hand to deal with every complaint, and Mr S's complaint about this arises from the way the bank dealt with someone else – so it's not something I can look into.

my final decision

My final decision is that 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 9 November 2015.

David Singh
ombudsman