

complaint

Miss M complains that Metro Bank PLC unfairly placed a Credit Industry Fraud Avoidance System (CIFAS) marker against her name. And closed her accounts. She wants Metro to remove the marker.

background

On 8 October 2017, Miss M opened three current accounts with Metro. Miss M opened two of the accounts in branch and one online.

At the time of opening the accounts in branch, Metro provided Miss M with bank cards for each account and Miss M set up PIN's, which were chosen by her, for both cards. Miss M also set up her online banking, and she chose a password and security number in order to access her accounts online.

Metro has explained that when a customer accesses their account through their online banking facility, they have to pass through various layers of security first, and answer questions, some of which are personal to them. So as to make sure any activity has been initiated and authorised by the customer. Also as part of Metro's security processes each time a customer accesses their online banking they are required to enter a 12 digit customer number, then enter characters from their password and security number. This security information is personal to each customer.

On 10 October 2017, £25,000 was paid into Miss M's account. On the same day the money was moved between Miss M's accounts via online banking and spent via card payments. On 11 October 2017, Metro was contacted by another bank, which I will refer to as bank A, who said their customer did not authorise the payment of £25,000 to Miss M's account. And they had been the victim of a scam. Bank A also said that it had managed to stop a further payment of £25,000 being sent to Miss M's account.

Following this notification, on 12 October 2017, Metro decided to close Miss M's accounts. Metro also thought Miss M had misused her account so they applied a CIFAS marker against her name.

Miss M says not long after opening her accounts she lost her wallet at work which contained her bank cards. She says she never reported this to Metro as her accounts had no money in them. So she wasn't worried. She also says that she had trouble logging into her online banking. But again she didn't let Metro know she was having any difficulties. Miss M says that after Metro closed her accounts she wasn't able to open other bank accounts so she contacted CIFAS who told her to speak to Metro.

In February 2018, Miss M contacted Metro online. She said that someone had messaged her on social media offering her a money making opportunity. Following this contact, Miss M says she spoke to a male on the phone who explained she needed to provide her bank details. And the male then arranged a friend of his to collect her bank card and login details from her. Miss M says not long after this happened, the social media account was deactivated and she was unable to contact the male again.

In May and June 2018, Miss M rang Metro to find out how she could have the marker removed. During the calls she told Metro that she had lost her wallet, which contained all her

bank cards, at work not long after she opened her accounts. And she wasn't involved in any fraudulent activity,

In July 2018, Miss M complained to Metro and asked them to remove the marker. Metro refused and asked Miss M to provide proof of entitlement to the money which was paid into her account on 10 October, 2017. Miss M wasn't able to provide anything. She said that she'd seen the fraudulent activity on her accounts. And that it wasn't anything to do with her.

Unhappy with Metro's response, Miss M brought her complaint to this service. An investigator looked into Miss M's complaint and said Metro hadn't done anything wrong when it closed Miss M's account and had done so in accordance with the terms and conditions. She also said Metro hadn't treated Miss M unfairly when it had applied the CIFAS marker. Miss M disagreed. So the matter has come to me to decide.

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've reached the same conclusions as the investigator. And I'll explain why.

CIFAS marker

Miss M has maintained she had nothing to do with the fraudulent funds being paid into her account in October 2017. And that she didn't use any of the money. She says she's been the victim of a scam. And says Metro has treated her unfairly. She wants Metro to remove the CIFAS marker.

Initially, Miss M told Metro she'd lost her wallet, containing her bank cards, whilst she was at work. But Miss M didn't report the loss or theft of her cards to Metro or the police. And she couldn't be specific about when this happened. I don't find this explanation plausible. I say this because it doesn't explain how an unknown third party was able to obtain Miss M's PIN and online banking information, including her online security information – all of which were used to transfer the fraudulent funds between Miss M's accounts and authorise payments out of her accounts. I've also kept in mind that Miss M has since changed her version of events when she spoke to our investigator.

Miss M told our investigator that she'd been approached via a social media site by a man she didn't know offering what she described as 'a money making opportunity'. She says following the initial contact, a man visited her at work and she gave him her bank cards and online banking information. Miss M says she didn't question the man about why her online bank account details and cards were needed. Miss M says she can no longer contact this individual. And unfortunately, she can't provide any evidence of their initial contact such as messages on the media site, as the account which was used has been deactivated.

It's not in dispute that Miss M received fraudulent funds into her account. And Miss M has said she was aware of the activity on her account. But I've not seen any evidence that she tried to cancel the credit or disputed the large amount of money which was paid into her account, with Metro at the time. And despite Miss M's concern about being a victim of scam, I've not seen any evidence that she contacted the police.

When I weigh everything up, in particular what Miss M has said, I think it's more likely than not that Miss M gave her bank cards, PIN numbers and online banking information to another person. And according to Miss M's account terms and conditions Miss M should have kept this information secure and shouldn't have shared it with another person. On that basis, I think it's fair that Metro reported Miss M to CIFAS for misuse of her accounts. And I'm not going to ask Metro to remove the marker.

account closure

A bank is entitled to close an account with a customer just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account – which both Metro and Miss M had to comply with, say that under certain circumstances it could close Miss M's accounts immediately. However, I note that Metro wrote to Miss M and gave her 7 days' notice. I think this is a reasonable amount of time for Miss M to make alternative banking arrangements. So it's entitled to close the accounts as it seems it's already done.

my final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 17 August 2019.

Sharon Kerrison
ombudsman