

complaint

Miss A, Miss B and Mr C complain that The Royal Bank of Scotland Plc allowed a fraudulent payment to be made out of the account belonging to their partnership, which I shall refer to as "D".

When Miss A contacted RBS's fraud team she was told that it could not offer assistance until the following morning as the office was not open. Miss A is unhappy with this as RBS advertises that its fraud team are available 24 hours a day, 7 days a week. She is also unhappy about the security procedures of the bank.

background

Miss A has said she received a telephone call from someone who purported to be an employee of RBS. She was told that there had been an attempt to withdraw money from D's account fraudulently and she was invited to call the bank back. Miss A did so, calling the telephone number on her debit card.

Miss A thought she was speaking to a bank employee but, by a technical trick, it turned out that she was speaking to the original caller, a fraudster. Miss A was told that she should deposit the funds from D's account to another one to prevent an unauthorised transaction from being made. Miss A followed this instruction but the account was not one held with RBS.

At the end of the call, after the transfer had been made, Miss A says the person she was speaking to said "you've just been done". She suspected that she may not have been speaking to her bank after all and called the fraud team at RBS to report the transaction.

Although Miss A's concern was logged, RBS said it could not take action to seek recovery of the funds until the following morning as its office was closed. Whilst able to log concerns it could not offer further assistance. It was also unable to stop the transaction as the funds had already left D's account.

The following morning RBS contacted the receiving bank but only a small amount of money was able to be recovered as the fraudulently obtained funds had already been removed. There was a delay in the recovered funds being returned to D.

The partners of D raised a complaint with RBS but it refused to refund the full payment that had been made. It said that Miss A had made the transfer and it was not to blame. It did, however, agree that it had not provided the level of service it should have done and made a compensatory payment of £225.

Unhappy with this the partners contacted this service. Our adjudicator considered the complaint and, in summary, he concluded that:-

- the payment was made as a 'faster payment'. This meant it could not be stopped;
- the bank could hold Miss A responsible for the payment as she properly authorised the transfer; and
- attempts were made to recover the funds within a reasonable timescale.

Miss A, for the partners, did not agree. She said:-

- the partners had taken the steps recommended by the bank to protect D from fraud;
- the transaction was able to happen because of a flaw in the bank's security systems; and
- more of the money could have been recovered if RBS had acted sooner.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

There is no doubt that Miss A, Miss B and Mr C have been the victim of a cruel and carefully planned deception which has resulted in the loss of a large sum of money. I recognise that Miss A believed, at the time that she was tricked into transferring the money into the fraudster's account, she was taking positive precautions to keep money safe. I have great sympathy for Miss A. But it remains that I have to decide whether or not RBS should reimburse her for the losses.

Miss A has said that someone must have been monitoring D's accounts but I do not believe that this is likely and there is no evidence of this. In any event, most importantly here, a fraudster was able to convince Miss A that she was speaking to an employee of the bank when this was not the case. Miss A then went on to issue instructions to the bank, using her access to online banking to carry out the transaction requested by the fraudster.

If RBS had transferred the money in error, or a third party had made an unauthorised transfer, then it may have been liable to reimburse Miss A, depending on the circumstances. But here, there is no getting away from the fact that Miss A made and authorised the transfer herself and RBS followed the instructions. RBS cannot, therefore, be responsible for reimbursing the losses suffered based on how the transactions came to be made.

Additionally, online transfers between banks in the UK use a system known as faster payments which is designed to ensure payments reach the intended beneficiary as soon as possible. This meant the money was received into the fraudster's account almost immediately and they were able to withdraw the money.

Although I have sympathy for the position the partners find themselves in, I do not believe RBS's security systems were breached.

When Miss A contacted RBS she was told it could not attempt to recover the money until the following morning. Miss A made the telephone call late at night and I do not consider that I can fairly and reasonably say that the bank should offer its full range of customer support all of the time. I acknowledge Miss A's comments about the bank providing 24/7 services but I am satisfied that the bank's promotional material only refers to being able to log reports, not to the entire range of actions a fraud team may need to consider taking.

In any event, even if RBS had acted sooner I believe it is unlikely that it would have done so in time to recovery any more of the money. The funds were withdrawn from the receiving account a few minutes after they were credited and I agree with the adjudicator that RBS would have needed to consider what action was appropriate.

And, then, once RBS had contacted the receiving bank, it would itself have had to consider its response. So, even if the process had been started immediately, I find it unlikely that

contact with the receiving bank would have been made quickly enough to prevent the funds being withdrawn.

RBS was able to recover a small amount and it admits there was a delay in crediting these back to D. But it has already made a payment to D in recognition of the level of service it provided and I find the amount paid to be appropriate.

my final decision

Although I appreciate this will come as a disappointment to the partners of D, my final decision is that I do not uphold this complaint.

Ray Neighbour
Ombudsman