



Case study: Banking

BANKING INFORMATION SHARED BY CUSTOMERS WHICH RESULTED IN A FRAUD CLAIM

Themes: fraud claim; vulnerable complainant; complainant's contributory negligence.

This complaint related to a claim that bank funds were obtained through theft by an acquaintance who was attempting to gain control over the vulnerable complainant's assets.

In February 2016 Mr and Mrs T, who lived overseas, contacted their bank to request internet banking access and they received the necessary information to activate this service. Mr and Mrs T later claimed that an acquaintance of theirs who had been helping them at the time obtained the information and fraudulently accessed their account and withdrew £4,142 without their knowledge or consent.

In May 2016 a relative of Mr and Mrs T was contacted by the president of a local charity to say she thought they were being taken advantage of by their acquaintance. The relative travelled to their location and sought advice from a lawyer. The lawyer advised the relative to relocate Mr and Mrs T back to the UK and to tell the acquaintance his services were no longer required.

Shortly after Mr and Mrs T relocated, and upon receipt of their bank statement, Mr and Mrs T noticed three online payments that had been made to the acquaintance in February 2016. On their behalf, their relative (who had by then obtained power of attorney) complained to the bank, stating that the acquaintance had fraudulently accessed Mr and Mrs T's account and authorised these payments. Several months later the bank provided a final response to Mr and Mrs T's complaint, stating that the payments made to Mr and Mrs T's acquaintance had been authorised correctly using the online banking facility provided. The bank believed Mr and Mrs T must have been comfortable with sharing their online banking details with him.

In June 2017 Mr and Mrs T brought their complaint to CIFO. Before CIFO could investigate, the bank requested a premium account fee from Mr and Mrs T, prompting them to close their account. CIFO investigated and found that the bank had acted in accordance with their policies and procedures when it provided Mr and Mrs T with their online banking access details. CIFO further found that, on the balance of probabilities, Mr and Mrs T had negligently allowed their former acquaintance to gain access to their online banking details such that it would not be appropriate to require the bank to reimburse them for the payments he had made through their online banking. CIFO did not uphold the complaint.