



## Case study: Banking

### COMPLAINANT'S FUNDS DRAINED FROM JOINT BANK ACCOUNT BY EX-PARTNER

Themes: Account closure; 'Know Your Customer' documentation; joint account; time limit to refer complaint

This complaint related to the withdrawal of all the funds from a complainant's joint bank account by the ex-partner who still had full account access.

Miss A held a joint bank account with her ex-partner that had approximately £52,000. The bank had advised Miss A that the account could not be used until all outstanding "Know Your Customer" documentation had been received. This was part of the bank's regulatory obligation to enable the bank to continue to provide account facilities. This led Miss A to believe the bank account could not be accessed by either herself or her ex-partner until the documentation had been provided. However, in November 2017 Miss A's ex-partner transferred all the funds out of the account without Miss A's knowledge.

In December 2020, Miss A complained to the bank as she believed that neither she nor her ex-partner could have accessed the account in November of 2017. The bank advised that it was not aware of a dispute between Miss A and her ex-partner and that the joint bank account could accept withdrawals from either Miss A or her ex-partner as they both had signing authority on the account. The bank accepted that, had it been aware of any dispute, it would have been appropriate to change the mandate so that both account holders' consent would be needed before money from the account could be released. The bank also explained that, although there were restrictions on the account (because "Know Your Customer documentation was missing), it could ease those restrictions in certain circumstances.

In July 2021, Miss A referred her complaint to CIFO. CIFO considered whether the complaint could be reviewed as the time between the bank's final response to her complaint and Miss A's complaint to CIFO had been longer than 6 months. CIFO can generally only review complaints that have been received within 6 months of the financial service provider's final decision. However, CIFO made an exception given the specific circumstances in this case and reviewed Miss A's complaint.

CIFO found that Miss A and her partner were in the process of dividing their assets (including a house) and it would have been entirely reasonable for that agreement to include the funds from the joint bank account. That meant that Miss A could well have been entitled to recover the missing funds from her ex-partner. However, CIFO noted that Miss A's bank was not aware of the dispute between Miss A and her ex-partner and, as both had equal access to withdraw funds from the joint account, it was not fair or reasonable to expect the bank to reimburse Miss A for her loss. CIFO did not uphold this complaint as the bank had made no error.