

The case of Mrs Rose

Background

A customer, Mrs Rose, has made an appointment to see you at the branch as she wants to withdraw an investment. After reviewing her account you explain to her that the investment she has is not of a sort that can be withdrawn straight away, and she says that in that case she would like to apply for an overdraft. Mrs Rose is 86 years old and manages her finances independently. She is not a regular customer at the branch, but in her account history you can see that she has a substantial balance and that recently she has been going to local branches in the area and transferring a number of thousands of pounds to a third party bank account.

You ask her why she needs the overdraft and she shows you a piece of paper which gives details of an account for £5,000 to be paid into. She had been told that the money was being sent from that account to someone in the Caribbean who was going to send her a gift.

Questions

Would you have any concerns about the situation? Do you think Mrs Rose should be given access to an overdraft?

What would you do next?

In this instance the branch manager declined Mrs Rose's request for an overdraft

You ask Mrs Rose what she has been told she will be sent, and she says that she is not really sure, but that it is OK because 'they' told me so on the phone. You ask her who it was that phoned her, and she is not able to give any information aside from saying that it was a young man who had called her. As the account Mrs Rose had been asked to pay money into is with your bank you are able to privately review it and can see a number of high value deposits, with the money then being transferred relatively soon after to other sources.

You express your concerns to Mrs Rose about her sending money, but she is adamant there is nothing wrong, and she thinks she is going to miss out if she does not send the money. Even though the computer system says that Mrs Rose could be given access to an overdraft, you are sufficiently concerned about who is contacting her for money that you decline the request. Although you are worried about the situation, you do not feel that at this point there is enough evidence to contact the police about your suspicions.

Questions

Would you have done anything differently faced with this sort of situation?

What do you think happened next?

In this instance the police contacted the bank independently about the situation

Mrs Rose leaves the branch, cross that you have turned her down for an overdraft. She then comes back a few days later though and without your awareness sees a cashier who does allow her to transfer £3,000 from her account to the third party, as she has sufficient funds and tells the cashier that she needs to transfer the money because she is having building work done on her house.

You then receive a phone call from the local community police team, who were aware of a number of people in the local area who have been contacted with the same request to send money to a third party account to be sent to the Caribbean, one being Mrs Rose. It appears that Mrs Rose had a carer who had contacted the police about the situation as they were concerned she was being taken advantage of.

You arrange to meet with Mrs Rose and a local police officer in the branch. It transpires that Mrs Rose has been receiving a lot of phone calls in relation to the request for money. She is quite isolated as she struggles physically to walk even short distances, and so she enjoys the phone calls she has been receiving, as she feels the people calling are her friends.

Questions:

What difficulties can be encountered when customers are adamant about making a transaction despite an identified risk?

How do you think the situation resolved itself?

How was the case resolved?

In this instance the involvement of the police means that you are able to stop Mrs Rose's last transfer of money to the third party bank account. Mrs Rose is still quite confused about what has happened and is adamant she is not being taken advantage of, but she does agree that the community police officer can contact social services to review her care provision.

The case was then officially handed over from the police to social services to manage, to ensure that Mrs Rose received appropriate care and support to minimise her potential vulnerability.

Questions:

How can the risk of this type of financial abuse be minimised for customers?