

Fees for clarifications in connection with a “Romance Scam”

Topic: **Abuse and fraud** Case number: **2020/08**

The client gave the bank payment orders which seemed unusual to the bank. Due to queries, the bank became more suspicious that the client had fallen victim to a so-called “romance scam”. To protect her from harm, the bank refused to execute the payment orders. The client was intransigent and finally wanted to close her account with the bank. The bank invoiced her for about CHF 1'500 for its efforts in connection with the clarifications. The client signed the invoice so as not to jeopardise the closure of the account. Later she demanded the refund of the fees, which the bank refused. She then submitted the case to the Ombudsman. In the ombudsman proceedings, the bank reduced the fees by half. The client accepted this settlement proposal.

The Ombudsman regularly receives complaints from clients who accuse the bank of not having warned them about payments they have made to fraudsters. This case was just the opposite. The client wanted to send money to an internet acquaintance, which the man, who lives abroad, allegedly needed for the urgently required renovation of his flat. Due to the amount and the domicile of the recipient, the payments struck the bank as unusual. Clarifications with the customer revealed that she had most likely fallen victim to a so-called “romance scam”. A chance acquaintance on the Internet had apparently ingratiated himself with her and feigned affection. This was done with the aim of exploiting the woman financially.

The bank did not make the payments and had several discussions with the client. She did not agree and told the bank that it was up to her what she did with her money. She finally wanted to close her account. The bank asked her to come to the branch in person. For this meaning, the bank called in a fraud specialist from the police and gave the customer the opportunity to discuss the case with him. The fraud specialist confirmed the bank’s suspicions, as the case could be assigned to a scheme known to him. The client, however, still did not agree and wanted to close the account. The bank allowed the account to be closed, but insisted that the client sign a confirmation that she had been warned about the payments and also had the client sign an invoice for the amount of CHF 1'500, with which she wanted to be at least partially compensated for the considerable efforts she had incurred. In doing so, she relied on her fee tariff, in which she reserves the right to charge a certain hourly rate for various, unspecified expenses.

As a first step, the Ombudsman contacted the bank’s management. He assured the bank that he did not wish to criticise the prudent way in which it had handled the case. However, he considered the basis for the fees charged to be questionable. According to the Ombudsman, the bank must inform a client in advance and obtain his consent if it wants to charge fees for certain unspecified expenses. It is not sufficient that an hourly rate is provided for in general terms in the fee tariff. The bank showed itself willing to reduce the fees by half.

The Ombudsman then contacted the client and discussed the case with her. In the meantime, she had realised that the bank had saved her from doing something stupid and was glad that she had not suffered any damage. What exactly had brought her to this realisation, she did not disclose. However, she was of the opinion that the effort made by the bank had been excessive. It would have been sufficient to make her aware of the suspicion and she would then have decided herself on how to

proceed. In the end, however, she considered the reduced fees to be reasonable and therefore accepted the proposed solution.