

The complaint

Miss A complains that Advanced Payment Solutions Limited (trading as “Cashplus”) failed to refund money she lost as part of an investment scam.

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

What I’ve decided – and why

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- I am satisfied there were enough ‘triggers’ in this case to have alerted a responsible regulated firm such as Cashplus that Miss A’s account was being subjected to unusual and uncharacteristic activity. Two large payments of £2,276.45 and £2,730.69 were both made to an international cryptocurrency platform on 28 October 2020 in quick succession (where the funds were then subsequently transferred on to the scammer, “Askobid”). This took her account from a balance of over £5,000 to just £130.
- I appreciate that the first payment would not have necessarily been considered unusual in and of itself, so I don’t consider an intervention was necessary at that point. However, once the second large payment had been made on the same day, there were reasonable grounds to suspect fraud or a scam, as making more than one large payment to the same payee in quick succession is a common hallmark of a scam – particularly where it is going to a cryptocurrency platform. I’m satisfied there were reasonable grounds for Cashplus to have suspected a fraud or scam and therefore justify an intervention (such as contacting Miss A to ask further probing questions about the nature and purpose of the payments).
- If Cashplus had contacted Miss A and asked her further questions and for more of the basic surrounding context, I think it’s likely she would have explained what she was doing and that she was being told make payments to a third party investment broker through a cryptocurrency platform, after having downloaded remote access/screensharing software. All of these factors are typical features of these sorts of investment scams, which should’ve prompted Cashplus to warn her that she was at risk of financial harm.
- Overall, I’m satisfied that a warning to Miss A by Cashplus would have probably led her to discover the various scam warnings online and exposed the merchant’s false pretenses. Cashplus could have asked Miss A to check the legitimacy of the broker on the FCA website, for example, where she would have discovered a warning about Askobid that had been in place since July 2020 stating that they were not regulated.
- Even if Miss A had not worked out that this was a scam, it is likely that a warning would have alerted her to the common issues arising in relation to investment scams,

which in turn would have revealed the truth behind the supposed broker's representations. This would have probably stopped Miss A in her tracks. So, but for Cashplus' failure to act on clear triggers of potential fraud or financial harm, Miss A probably wouldn't have made the second payment of £2,730.69.

- Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions (see s.1C(d) of our enabling statute, the Financial Services and Markets Act 2000). In this case, I do not think that Miss A was to blame for what happened; that she did not foresee the risk of this sort of harm or any harm. Miss A had previously invested money with the fraudster and was able to withdraw it before she made the payments from her Cashplus account, which is a common tactic used by scammers to encourage people to invest larger sums. I do not think Miss A could have foreseen the risk that the company she was dealing with was a scam and the trading account she was viewing was likely to be a simulation. In the circumstances, I do not think it would be fair to reduce compensation on the basis that she should share blame for what happened.
- I note that Cashplus didn't pursue a chargeback claim through the Mastercard scheme after Miss A originally disputed the payments. However, given that she had failed to dispute the payments within 120 days of them being made, she would have been out of time for a chargeback claim to have been made. The payments were also not made directly to the fraudulent merchant and were instead sent through a cryptocurrency exchange platform. Therefore, even if Miss A did raise her dispute in time, it would've had very little prospects of success as she had essentially received the goods/services she had paid for (i.e. the exchange of her money into cryptocurrency). So, I don't consider Cashplus acted unreasonably when it decided not to pursue a chargeback claim in these circumstances.

My final decision

For the reasons given above, I uphold this complaint and direct Advanced Payment Solutions Limited trading as Cashplus to:

- Refund Miss A the payment of £2,730.69 she made to the scammer, along with any international transaction fees charged as a result of the payment.
- Pay 8% simple interest per year on this sum from the date of loss until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 1 August 2022.

Jack Ferris
Ombudsman