

The complaint

Mrs N complains that Clydesdale Bank Plc trading as Virgin Money (Virgin) is refusing to refund her the amount she lost as the result of a scam.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mrs N found an advertisement about investing in cryptocurrency and made an initial investment of £250 using a credit card held at a different bank.

Mrs N then received a call from BCHAdvance (X). X guided Mrs N through the investment process which included opening an account with Revolut and downloading the screen sharing application AnyDesk. X also advised Mrs N what to say if the bank asked her any questions about the payments she was making.

Mrs N also spoke to X via Telegram and as X built trust with Mrs N she was convinced to make more and more payments.

Mrs N tells us she started to have concerns about the investment and asked to make a withdrawal but before she could do so she needed to make further payments in relation to the withdrawal process.

Mrs N continued to have doubts about the investment but by this point was concerned about losing her investment and authorised further payments as requested by X. But Mrs N was still unable to withdraw any funds and the Telegram conversation was deleted.

It was clear at this stage that Mrs N had fallen victim to a scam.

The following payments were made from Mrs N's account with Virgin in relation to the scam:

Date	Payee	Payment Method	Amount
16 August 2022	MB Skrill Ltd	Transfer	£2,000.00
17 August 2022	Skrill Ltd Master	Credit	- £97.00
29 August 2022	MB Skrill Ltd	Transfer	£6,000.00
30 August 2022	MB Skrill Ltd	Transfer	£6,000.00
30 August 2022	Skrill Ltd Master	Credit	- £6,000.00
31 August 2022	Skrill Ltd Master	Credit	- £6,000.00
31 August 2022	MB Revolut	Transfer	£6,000.00
8 September 2022	MB Skrill Ltd	Transfer	£4,611.00
9 September 2022	Skrill Ltd Master	Credit	- £4,611.00
12 September 2022	MB Mrs N	Transfer	£5,000.00
16 September 2022	MB Mrs N	Transfer	£7,865.00
20 September 2022	MB Mrs N	Transfer	£5,600.00
21 September 2022	MB Mrs N	Transfer	£11,438.00
22 September 2022	MB Mrs N	Transfer	£17,250.00

23 September 2022	MB Mrs N	Transfer	£17,250.00
28 September 2022	MB Mrs N	Transfer	£17,250.00
29 September 2022	MB Mrs N	Transfer	£17,250.00
30 September 2022	MB Mrs N	Transfer	£17,250.00
3 October 2022	MB Mrs N	Transfer	£17,250.00
4 October 2022	MB Mrs N	Transfer	£17,250.00
6 October 2022	MB Mrs N	Transfer	£17,250.00
7 October 2022	MB Mrs N	Transfer	£17,250.00
11 October 2022	MB Mrs N	Transfer	£17,250.00
12 October 2022	MB Mrs N	Transfer	£17,250.00
12 October 2022	MB Mrs N	Transfer	£9,150.00

Our Investigator considered Mrs N's complaint but didn't think it should be upheld. Mrs N disagreed, so this complaint has been passed to me to decide.

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.

It has not been disputed that Mrs N has fallen victim to a cruel scam. The evidence provided by both Mrs N and Virgin sets out what happened. What is in dispute is whether Virgin should refund the money Mrs N lost due to the scam.

Recovering the payments Mrs N made

Mrs N authorised payments from her account via the method of transfer. When a payment is made by this method Virgin has limited options available to it for recovery. Virgin could contact the receiving payee to request any remaining funds be refunded. But the payments made from Mrs N's Virgin account were sent to accounts in her own name and then forwarded to X. So, this would not be a viable option in the circumstances of this complaint.

With the above in mind, I don't think Virgin had any reasonable options available to it to recover the payments made in relation to this scam.

Should Virgin have reasonably prevented the payments Mrs N made?

I think it's most likely that Mrs N authorised the payments that were made from her account with Virgin, albeit on X's instruction and with X's assistance. So, the starting point here is that Mrs N is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Virgin should have been aware of the scam and stepped into question Mrs N about the payments she was making. And if it had questioned Mrs N, would it have been able to prevent the scam taking place.

I can see that Virgin did step in and conversations took place between Mrs N and Virgin on the 16th and 31st August 2022. Virgin has provided a copy of these calls to us.

On 16th August 2022 Virgin called Mrs N about a payment she was making in relation to the scam that had been blocked. Mrs N confirmed the payment was a duplicate and that she was happy where the payment was going to, and no one else was coercing or pressuring

her to make the payment. Mrs N also confirmed she was not given any coaching on what to say if the bank called. Virgin also made Mrs N aware that if the payments do turn out to be a scam it's unlikely the payments would be recovered.

On 31st August 2022 Virgin asked Mrs N what the reasons for the payments she was making were. Mrs N told Virgin that they were for a front door and that she wanted a different method of paying on a holiday. Mrs N also confirmed that the payee was genuine, and the person had been out to the house and was VAT registered. Mrs N confirmed no one had told her how to respond to questions asked by the bank about the payments.

Mrs N went on to query if further payments were likely to be stopped as she will be making more payments in relation to building a house.

I think it's clear from the content of the calls that Mrs N had been completely taken in by X and was willing to give false information to Virgin to ensure the payments were processed. As Mrs N was being coached by X on what to say to Virgin if it stopped any payments, I think it's unlikely Virgin would have been able to uncover the scam even if it had questioned her when she was making other payments into the scam.

Mrs N has told us that she did get a new door and go on holiday. I accept that Mrs N may have also used the funds for other reasons, but the payment has been included in the list of payments Mrs N disputed and once these payments were sent to Revolut I can't see they were used for anything but the scam. In addition to this a call took place between Mrs N and our service where she told us that X had told her to say the payment was related to a holiday.

So, I think it's likely both payments covered in the calls were related to the scam. And in both calls Mrs N confirmed she was not being coached by X on what to say to the bank when in fact she was.

It's clear from the information Mrs N has provided that falling victim to this cruel scam has had a major impact on her, and I note Mrs N feels Virgin should have done more to protect her. But I don't think Virgin missed an opportunity to prevent the scam and I'm not able to hold it responsible for Mrs N's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 28 February 2024.

Terry Woodham
Ombudsman