

The complaint

Ms C complains that Clydesdale Bank Plc trading as Virgin Money didn't do enough when she fell victim to an investment scam.

What happened

In March 2023 Ms C, with the help of a representative, complained to Virgin Money that it hadn't done enough when she made three large payments to what she says has turned out to be an investment scam.

Virgin Money looked into Ms C's complaint and said that the first payment had been made more than six years ago – so her complaint about that payment was out of time – and that it doesn't provide advice in relation to investments. In addition, Virgin Money said that as Ms C had invested based on the advice of an IFA it would have expected them to have done their own due diligence before recommending an investment. Finally, Virgin Money said that it didn't agree that this had been a scam, but an investment that had not provided the outcome expected. So, it didn't uphold the complaint.

Ms C was unhappy with Virgin Money's response so complained to us.

One of our investigators looked into Ms C's complaint and ultimately said that we couldn't look into the first payment as the complaint had been referred out of time. They agreed that the other payments were unusual when compared to the relevant account's normal usage but given that Ms C had received advice from an IFA they didn't think it would have made a difference had Virgin Money intervened. So, they didn't recommend that this complaint be upheld.

Ms C's representatives explained in detail why they didn't agree with our investigator's recommendations and asked for her complaint to be referred to an ombudsman. Her complaint was, as a result, passed to me.

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.

Ms C's representatives have made detailed submissions in relation to this complaint – not only on the question of the time limits that might apply, but also in relation to the merits. In this particular case, however, I don't think they ultimately help. So rather than, for example, spend time considering whether the complaint about all three payments has been brought in time, and potential complexities down to the fact that the earlier payments were from a business account relating to a partnership that has since dissolved, I'm going to deal with what I consider to be the crux of this complaint. In other words, the question of whether or not Virgin Money should have intervened at the time and whether or not that would have made a difference.

This case involves three payments – £17,000, £15,000 and £5,000 made in December 2016, August 2017 and November 2017 respectively. There's an argument that the first payment wasn't unusual – it was made from a business account out of which large payments went – but I don't think anyone disagrees that the second and third payment were unusual when compared to normal usage. The final one was done in branch too. So, I don't think anyone disagrees that Virgin Money ought to have asked questions.

Given that these payments were so long ago, it's not clear what questions, if any, were asked at the time. But I agree with our investigator, given that Ms C and her husband (who sadly passed away in 2021) had been introduced to this investment by an IFA, that it wouldn't have made a difference had Virgin Money asked questions about the payment. So, I don't agree that Virgin Money missed an opportunity to prevent a loss here.

Virgin Money said in its final response that it didn't believe this investment was a scam – it said it was an investment that has not performed as expected. Although I can see some concerns about the company in question – some of which pre-date the payments – I've seen nothing to show that this was a scam, or that it would have been obvious at the time. That may or may not explain why it was recommended by an IFA.

Having read the file, it's clear that Ms C and her husband ran a successful business in partnership for a number of years, that they sold the business a number of years ago and that Ms C's husband was enjoying his retirement. As I've already mentioned, he sadly passed away in 2021. So, I'm sorry that this decision might not be the news Ms C hoped for.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 16 February 2024.

Nicolas Atkinson
Ombudsman