

The complaint

Mr S complains about Northern Bank Limited (trading as Danske Bank).

He says that Northern Bank is preventing him from making payments that he wants to make and wants Northern Bank to remove the block it has placed on the transactions.

What happened

Mr S met an individual on a dating website called 'My Special Dates', which requires payment in order purchase 'credits' to allow customers to speak with individuals registered with the site.

Mr S says that he has been speaking with an individual from Ukraine and providing her support and help. He says that they payments towards the dating site are entirely legitimate.

Mr S made the following payments before the block was placed on his account.

Date	Payee	Payment type	Amount
25/04/2023	Astrasoft (my special dates)	Card	£15.78
27/04/2023	Astrasoft (my special dates)	Card	£15.74
02/05/2023	Astrasoft (my special dates)	Card	£15.73
02/05/2023	Astrasoft (my special dates)	Card	£15.69
02/05/2023	Astrasoft (my special dates)	Card	£15.69
09/05/2023	Astrasoft (my special dates)	Card	£15.63
09/05/2023	Astrasoft (my special dates)	Card	£15.56
09/05/2023	Astrasoft (my special dates)	Card	£15.54
11/05/2023	Astrasoft (my special dates)	Card	£15.49
12/05/2023	Astrasoft (my special dates)	Card	£15.50
15/05/2023	Astrasoft (my special dates)	Card	£15.56
16/05/2023	Astrasoft (my special dates)	Card	£27.19
19/05/2023	Astrasoft (my special dates)	Card	£15.68
22/05/2023	Astrasoft (my special dates)	Card	£15.74
23/05/2023	Astrasoft (my special dates)	Card	£15.75
24/05/2023	Astrasoft (my special dates)	Card	£15.73
25/05/2023	Astrasoft (my special dates)	Card	£15.76
26/05/2023	Astrasoft (my special dates)	Card	£15.78
30/05/2023	Astrasoft (my special dates)	Card	£15.85
30/05/2023	Astrasoft (my special dates)	Card	£15.85
31/05/2023	Astrasoft (my special dates)	Card	£15.84
04/06/2023	Astrasoft (my special dates)	Card	£15.83
05/06/2023	Astrasoft (my special dates)	Card	£15.80
05/06/2023	Astrasoft (my special dates)	Card	£15.72
06/06/2023	Astrasoft (my special dates)	Card	£15.69
07/06/2023	Astrasoft (my special dates)	Card	£15.72
12/06/2023	Astrasoft (my special dates)	Card	£81.41
19/06/2023	Astrasoft (my special dates)	Card	£15.38

19/06/2023	Astrasoft (my special dates)	Card	£15.38
21/06/2023	Astrasoft (my special dates)	Card	£160.18
		Total	£692.19

Northern Bank says that the payments were flagged as suspicious by a member of front-line staff, and that Mr S told the staff member he wanted to send funds to help her relocate to the UK (which Mr S denies).

It also says that the website is known for scams, and that they are concerned that Mr S could be the victim of a romance scam. It says that it has blocked Mr S from making further payments to this particular merchant, under its terms and conditions, and that it is not willing to remove the block.

Unhappy, Mr S brought this complaint to this Service. Our Investigator looked into things but didn't think that Northern Bank had done anything wrong – and that it didn't need to remove the block on payments to this merchant.

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 have decided not to uphold this complaint, and I won't be directing Northern Bank to remove the block it has placed upon payments Mr S is trying to make to this merchant.

I know this will be disappointing for Mr S, so I'll explain why.

I do understand that Mr S is insistent that he is not being scammed – and that he has no intention of sending funds to the individual he is talking to via 'My Special Dates' other than paying the merchant for the tokens required to chat. He believes that Northern Bank is being unreasonable, and that he should be able to do what he wants with his money.

In broad terms, the starting position at law is that a banks, electronic money institutions (EMI's) and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (PSRs) and the terms and conditions of the customer's account.

But this isn't the end of the story. As a matter of good industry practice, PSPs should also take proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, although they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and good industry practice at the time, Northern Bank should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is

particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.

- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

In this instance, Northern Bank have declined to make the payments Mr S is trying to make because it has concerns that the website he is using is connected to a scam.

It has done so in line with its own terms and conditions, of which I have provided an extract below;

9. Refusing Payments or Stopping the Use of Your Card or Services;

9.1 You may not make a request, nor consent to a Payee making a request and We can refuse a request, for a payment transaction on Your Account, whether for payments into or out of Your Account if We believe or have reasonable cause to believe any of the following (We can refuse Your request by declining the request immediately using the same channel through which You have made it or by contacting You at the earliest opportunity and before We have executed the transaction and We won't be responsible for any loss to You):

(a) the payment transaction is or may be connected to fraud or any other illegal activity or purpose;...

Having considered the evidence available to me, I do not think that Northern Bank has acted unreasonably here in blocking the payments Mr S wants to make. According to its terms and conditions, Northern Bank has the discretion to block payments where it has reasonable grounds for suspecting fraud. From the evidence I've seen, it's conclusion that Mr S is at risk of fraud is entirely reasonable.

And given Northern Bank also has a wide range of obligations in respect of protecting its customers from falling victim to fraud, I don't think it's unreasonable for it to rely on its terms and conditions to prevent Mr S from making these payments.

I say that because, having reviewed the content of the website, its activity is consistent with a commonly occurring scam type. In addition to that, although I can't know for sure, I think it's highly likely the photographs of individuals on that website have been generated by Artificial Intelligence (AI) software.

I understand that this will not be welcome news to Mr S – and that he considers he has been supporting an individual who appears to be in crisis and vulnerable, which is an admirable endeavour, but I think it is more than likely the individual he has been speaking with is not who or what they seem.

So, while I cannot say for certain that the website is a scam, I am not going to ask Northern Bank to remove this restriction from Mr S's account.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 June 2024.

Claire Pugh
Ombudsman