

The complaint

Mr C complains Clydesdale Bank Plc trading as Virgin Money didn't do enough to protect him when he fell victim to an investment scam.

What happened

Mr C has a savings account with Virgin Money. He's been a customer for many years.

Between May 2018 and April 2019 Mr C made three payments from his savings account totalling £150,000 towards what he thought was a genuine property investment. He says all three payments were made in branch and that he doesn't recall the bank warning him about investment scams. Mr C says he received some returns in August 2019 and March 2020 and reinvested. He says he then started to become concerned as he hadn't received some of the documentation he was expecting – despite having chased several times – and eventually contact with the company stopped and he realised he'd been scammed. He says the companies involved were subsequently placed into administration. He contacted Virgin Money in November 2023 to say it should have done more to protect him.

Virgin Money says it looked into what happened and contacted the receiving bank but wasn't able to recover Mr C's payments given the amount of time that had passed. Having done so, Virgin Money said that it wasn't liable for the losses that Mr C was complaining about. Mr C wasn't happy and so complained to our service.

One of our investigators looked into Mr C's complaint and agreed that Virgin Money wasn't liable. They said that they didn't think the payments Mr C had made would have been concerning and, more, importantly they didn't think it would have made a difference even if Virgin Money had asked more questions in branch. That's because our investigator thought that Mr C would have still gone ahead and made the payments as there was nothing to suggest at the time that they were going to anything other than a genuine investment. Mr C wasn't happy with our investigator's response, saying a proper warning would have made a difference, amongst other things. His complaint was, as a result, referred to an ombudsman for a decision and 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.

I accept that Mr C was contacted by email about the investment he's now complaining about and then spoke to an introducer. I accept too that he was told he'd make "guaranteed returns" of between 10 and 14%. I can, however, see that the company he was investing in had been operating for a number of years and were on Companies House and that the documentation he was sent appeared to be genuine. I can also see he was dealing with what appeared to be a genuine company. And that there was no adverse information about the companies involved either. In the circumstances, I agree with our investigator that even if Virgin Money had given the types of warnings we would have expected it to do at the time, this wouldn't have made a difference and Mr C would still have gone ahead and made the payments. For that reason, I agree that this isn't a complaint that we can uphold.

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 Mr C to accept or reject my decision before 1 January 2025.

Nicolas Atkinson
Ombudsman