

The complaint

Mr S complains that The Royal Bank of Scotland Plc (RBS) won't refund him money he lost in a fake job scam.

Mr S is represented by a third party, but for ease of reading, I'll refer only to him.

What happened

The facts of this dispute are well known to both parties, so I've summarised what I think are the key points.

Mr S says he received an unsolicited message, through a popular messaging app, about an employment opportunity that involved rating other apps. He says he researched the company online and saw that it had a website that looked legitimate. Through the same messaging app, it was explained to him that he would be rating apps in return for money, but it might be necessary to pay amounts into an online account to unlock his earnings, which he would then be able to withdraw together with his earnings.

He says he started small and his 'investment' showed that it was doing well, which gave him confidence the job was real. He says that as part of his training, he was shown how his funds would grow and how to make withdrawals. However, when he came to make withdrawals, he says he came across various obstructions and was told he needed to pay various amounts into his online account to release his earnings. He was in a group chat with others who said they had come across similar issues, but they had been able to overcome them and make withdrawals, so on that basis he paid money into his online account. Mr S wasn't able to access any money and received further demands to invest more money in order to access his earnings. He borrowed money from family and friends and took out loans to pay the fees, but eventually realised he had been scammed.

Mr S considers RBS should have intervened because the transactions were unusual and should have been detected as potentially fraudulent. If RBS had intervened, provided sufficient warnings, and challenged the payments, Mr S says he wouldn't have made them. Mr S complains about the following payments:

Date	Payee	Amount	Payment type
27/09/2023	Mr S	£2,500	Mobile/Digital Banking
27/09/2023	Mr S	£1,100	Mobile/Digital Banking
27/09/2023	Mr S	£1,400	Mobile/Digital Banking
27/09/2023	Mr S	£2,500	Mobile/Digital Banking
28/09/2023	Mr S	£876	Mobile/Digital Banking
28/09/2023	Mr S	£100	Standing Order
28/09/2023	Mr S	£5,000	Mobile/Digital Banking
28/09/2023	Mr S	£4,124	Telephone Banking
29/09/2023	Mr S	£3,410	Telephone Banking

The scam was reported to RBS, but RBS didn't refund Mr S's money. It said all the money was transferred from his account with RBS to other accounts controlled by him and it was

from these accounts that payments to the scammers were made. Before making the payments, appropriate messages would have been displayed on screen to warn of the types of scams RBS was seeing. It said tailored scam warnings are displayed when making a payment to a new payee and customers must confirm they have read these before proceeding. RBS says if Mr S had done this, it doesn't believe he would have fallen victim to this scam.

Our investigator didn't think the payments were unusual, given they were all payments to existing payees, which were all accounts controlled by Mr S; they took place over several days; and there were always sufficient funds in the account. He also thought Mr S ought to have realised this was a scam, as there were a number of unusual factors, such as having to invest his own money to unlock his supposed earnings and as early as 26 September 2023, Mr S had messaged the scammers telling them he believed this to be a scam. But Mr S didn't conduct further research. He also noted that Mr S had a payment blocked and had received fraud warnings from another of his account providers, in connection with this scam. He didn't engage openly and honestly with his other account provider and so the investigator wasn't persuaded Mr S would have engaged openly with RBS if it had intervened, or that he would have heeded any risk warnings it gave him.

Mr S disagreed and so the complaint's 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.

I'm sorry to read about the circumstances in which Mr S lost his money, in what appears to be a cruel scam. It's not in question that he authorised and consented to the payments in this case. So, although he didn't intend his money to go to a scammer, under the terms of the Payment Services Regulations 2017 and the terms of his account, Mr S is presumed liable for the loss in the first instance.

But, taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, there are circumstances where it might be appropriate for RBS to take additional steps or make additional checks before processing a payment.

I need to decide whether RBS acted fairly and reasonably when Mr S made the payments. I have considered the position carefully.

Mr S's RBS account appears to have been opened on 26 July 2023, so it had been open for only two months at the time of the scam. I find there was limited scope for RBS to have understood Mr S's normal spending patterns in that time, but in the two months before the fraud, activity generally consisted of a variety of relatively small payments to a number of different payees, until the transactions in question.

On 27 September 2023, Mr S transferred £5,000 into this account from another of his accounts and then started making the payments in question. Each of these transactions were to other accounts in his name and there was still a reasonable balance in the account at the end of that day. On 28 September 2023, three large deposits were made to his RBS account, and Mr S made two payments to another of his accounts with another bank. I note that the second of these transactions, for £5,000, appears to have flagged with RBS. That is perhaps unsurprising, given there were a number of large transactions taking place, in a relatively short space of time, with some large deposits being made into the account and quickly dispersed to other accounts. RBS says it reviewed this transaction internally and

released it. On balance, I consider the activity on the account was probably sufficiently unusual by this point for RBS to have acted further on the flagged payment and contacted Mr S for further information. But, with that said, if RBS had intervened at this point, I agree with the investigator that it's unlikely Mr S's loss would have been prevented.

It seems that Mr S had more than a suspicion that this might be a fraud by 28 September 2023. In records of the messaging app chat he's provided us with, Mr S said he thought this job might be a scam, at 15:29 and again at 15:59 on 26 September 2023. He said he thought the scammers would keep asking for more money, which is exactly what did happen, but at this point he hadn't made any of the payments he has complained about to RBS. He was clearly alive to the possibility this was a scam well before the point at which I might have expected RBS to have detected the possibility of fraud and well before he made these payments, but he proceeded anyway.

I also understand that Mr S attempted to make a payment to the scammers, on 27 September 2023, from another account he held with a different business. The payment was declined by that business. I can see that business contacted him and said, in a chat, at 14:27 on 27 September 2023, that it thought there was a high chance this was a scam. Mr S seems to have already considered this possibility 24 hours earlier, as evidenced by the messaging app chat with the scammer. But he told the business this was a payment to family or a friend. The business stopped the payment, gave him some advice and asked him some more questions, but it seems the conversation wasn't continued by Mr S and payments to the scammers were made via another account of his.

In the circumstances, I'm not persuaded it's likely that, if RBS had intervened, Mr S would have engaged openly with RBS and told it the true purpose of the transactions. That would have made it difficult for RBS to have provided tailored risk warnings and it would have had little justification for blocking transactions to Mr S's own accounts with other businesses. On that basis, I'm not persuaded intervention by RBS would have stopped Mr S from making the payments and overall, I'm not persuaded RBS is responsible for Mr S's loss.

My final decision

I do not 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 13 December 2024.

Greg Barham
Ombudsman