

The complaint

Mrs U complains Clydesdale Bank Plc trading as Virgin Money didn't do enough to protect her when she fell victim to a job scam.

What happened

Mrs U has an account with Virgin Money and has been a customer for over 10 years. She also has an account with an electronic money institution – who I'll refer to as "W" throughout the rest of this decision.

Mrs U says she was looking for a flexible job in late 2023 – ideally a job she could do from home as she was already working part time – so as to be able to better support her family. She says she saw an advert on a well-known social media platform about the type of job she was looking for and expressed interest. Having done so, Mrs U says she was contacted by someone claiming to be a hiring manager who explained what the job involved and how she'd be able to earn commission. Mrs U says she was told the job involved performing tasks and that she'd sometimes need to top up her account in order to take on a task, and that some tasks might be more expensive than others but the commission on those were much higher. Mrs U says she was shown how to top up her account, and that this involved buying cryptocurrency which she then used to top up her account. Mrs U sent money from her account with Virgin Money to her account with W to help fund these top ups and used her account with W to buy cryptocurrency that she then used to top up her account.

Mrs U says she thought the job was a genuine opportunity and initially she appeared to make money. She says that she then encountered several expensive tasks in a row meaning she ended up paying increasingly large amounts in order to complete tasks. Mrs U says she tried to withdraw the profits she'd been told she'd made and realised she'd been scammed when she was told that she'd have to pay more fees to do so.

Mrs U complained to Virgin Money and to W saying that they hadn't done enough to protect her from the scam. Mrs U said that she'd sent £11,785 from her account with Virgin Money to her account with W between 4 and 11 December 2023 and that Virgin Money hadn't intervened. She said that she'd sent £14,288 from her account with W to cryptocurrency providers between 4 and 11 December 2023 and that Wise hadn't intervened.

Virgin Money looked into Mrs U's complaint and said that none of the payments Mrs U had made to her account with W had flagged as she'd been sending money to that account for some time, so it had become a trusted payee. Virgin Money said that it wasn't able to refund Mrs U in the circumstances. Mrs U wasn't happy with Virgin Money's response – or W's – and so complained to us.

One of our investigators looked into Mrs U's complaints and said that in this case Virgin Money had intervened and that its intervention was a proportionate response. So, they didn't agree that Virgin Money had done anything wrong and didn't recommend that Mrs U's complaint be upheld. Mrs U wasn't happy with our investigator's recommendation and asked for her complaint to be referred to an ombudsman for a decision. Her complaint was, as a result, passed on 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'm satisfied that Mrs U has had an account with Virgin Money for over 10 years and at the time of this scam she'd been sending money from that account to her account with W for approximately eight months without incident. I'm also satisfied that Mrs U sent money from her account with Virgin Money to her account with W nine times between 4 and 11 December 2023. In total, she sent just under £12,000. I agree with our investigator that the first four transfers Mrs U made weren't sufficiently unusual to be of concern to Virgin Money. Three of them were for under £500 and one was for £1,000. I also agree with our investigator that the fifth payment Mrs U made – which was for £6,000 – was unusual given the history of Mrs U's account. I say that because it was almost twice the size of the largest payment she'd made that year. So, at that point, even though the payment was going to an account in Mrs U's name to which she'd been sending money for some time, I would have expected Virgin Money to have questioned Mrs U about why she was making this payment to make sure she wasn't falling victim to a scam. And I can see that Virgin Money did exactly that – starting off by asking Mrs U what the purpose of the payment was.

I'm satisfied that Mrs U said she was “moving money to another account of mine” and that Virgin Money gave Mrs U the type of warning we'd expect to see when a business believes their customer might be falling for a safe account scam. In this case, I agree that this was a sensible and proportionate response – not least because Virgin Money would have been able to see several large credits coming into Mrs U's account at the time which were, in fact, credits from family members. I don't agree that Virgin Money needed to ask Mrs U more questions about why she was sending funds to an account in her own name in this case. Given what I've just said, I agree that Virgin Money didn't miss an opportunity to prevent further loss here and that it wouldn't, therefore, be fair to hold it liable.

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 Mrs U to accept or reject my decision before 31 October 2024.

Nicolas Atkinson
Ombudsman