

The complaint

Mr D complains Bank of Scotland plc didn't do enough when he fell victim to an investment scam.

What happened

Mr D has a current account with Bank of Scotland.

Mr D says he was looking for a way to invest his money – so as to earn a second income – when he came across an advert on a well-known social media platform about a company that said could help him make money. He says he researched the company and the investment appeared to be genuine. So, he started investing. He says it was only when he was told he'd need to pay large sums of money to withdraw his profits that he realised he'd been scammed.

In November 2023 Mr D, with the help of a representative, contacted Bank of Scotland to say that between 11 April and 4 May 2023 he'd sent just over £8,250 to what he now realised was an investment scam. His representative complained that Bank of Scotland hadn't done enough to protect him.

Bank of Scotland looked into Mr D's claim and complaint and said it couldn't refund his money as he'd done little to no checks that the investment was genuine and none of the payments he'd made were unusual enough for it to have intervened. Mr D was unhappy with Bank of Scotland's response and so complained to us.

One of our investigators looked into Mr D's complaint and agreed that Bank of Scotland hadn't acted unfairly. Mr D's representatives asked for a decision from an ombudsman. So, his complaint was 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'm satisfied that Mr D made nine payments to a well-known cryptocurrency exchange between 11 and 27 April 2023. Five of these payments were for £70 or less. Two were for between £175 and £250. And two were for £500. I'm satisfied that none of these payments were large enough to have triggered any intervention from Bank of Scotland. Mr D's representatives appear to accept this too, as they've said that the payment that ought to have triggered an intervention is one Mr D made for £2,000 on 2 May 2023. Whilst I accept that Bank of Scotland would have known that this was a payment to cryptocurrency – and by this point in time banks were aware of the risks associated with cryptocurrency and fraud – I don't agree that this payment was large enough to have triggered an intervention in itself as I don't agree that a pattern of fraud was emerging at that time, or that this payment was unusual enough. Mr D did, however, make two payments to the cryptocurrency exchange that day – the one I mentioned for £2,000 and another for £1,000. In other words, he sent £3,000 in total to that exchange that day. In some cases that might be enough to say a bank

ought to have intervened. In this case, however, I agree that because the payments were spread over three weeks and because had sent a couple of £3,000 payments relatively recently and because of the normal activity on his account they weren't unusual enough to trigger an intervention. In other words, I agree that Bank of Scotland didn't miss an opportunity to prevent a loss here. I also agree that this isn't, therefore, a complaint we should uphold. I appreciate that this will be disappointing to Mr D – who appears to have lost what for him is a significant amount of money to scammers.

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 D to accept or reject my decision before 23 August 2024.

Nicolas Atkinson
Ombudsman