

## **The complaint**

Mr D complains that Atlantic Money Ltd failed to protect him from losing money to a scam. He also complains it failed to take adequate steps to recover his money.

## **What happened**

The background of this complaint is already known to both parties, so I won't repeat all of it here.

In summary, in January 2024 Mr D saw an advert online for a car in Italy. He contacted the seller (the 'scammer') and agreed to buy the car for €6,500. He used the Atlantic Money app to send the money and sent two payments on 16 and 17 January 2024 to an account with an Italian bank. The first payment was for €11.95 and the second payment, made the following day was for €6,488.05.

Mr D has explained that he was convinced by the scammer as they had provided proof of identification and registration documents for the car he wanted to buy.

I understand that on 22 January 2023, Atlantic Money asked Mr D to provide new account details, or for the recipient account holder to check their bank account as it had received notification that the receiving account was blocked.

Mr D checked the bank details with the scammer, it appears there was a small error in the account number – an 'O' had been recorded as a zero. Mr D notified Atlantic Money of the error. It then processed the transaction using the correct digit. Once the money had been deposited in the scammer's account it appears that communication from the scammer reduced and then stopped. Mr D then realised he had been scammed.

Mr D complained to Atlantic Money. It didn't uphold his complaint.

Mr D then referred his complaint to this service. Having considered the complaint our investigator said they didn't think the complaint should be upheld. They explained that they didn't think Atlantic Money had acted incorrectly in this matter and didn't think it was responsible for Mr D's losses.

Mr D didn't accept the investigator's view, so the case has been passed to me to make a decision.

## **What I have 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 disappoint Mr D but having considered everything, I have reached the same view as our investigator and for much the same reasons. As this is the case I do not think Mr D's complaint against Atlantic Money should be upheld. I'll explain why.

It is not in dispute that Mr D has been the victim of a scam and I am sympathetic to his

position. Ultimately, however, Mr D has suffered this loss because of fraudsters and this doesn't automatically entitle him to a refund from Atlantic Money. It would only be fair for me to tell it to reimburse Mr D for his loss (or some of it) if I thought Atlantic Money reasonably ought to have prevented one or both of the payments in the first place, or it had unreasonably hindered recovery of the funds after the payments had been made; and I was satisfied, overall, this was a fair and reasonable outcome.

### Prevention

In broad terms, the starting position is that a business is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions for the service the business is providing. In this case it's not in question whether Mr D authorised these payments. It's accepted by all parties that Mr D gave the instructions to Atlantic Money via its app and it made the payments in-line with those instructions, and in-line with its terms and conditions.

However, good industry practice required that it be on the lookout for account activity that suggested a heightened risk of fraud. On spotting such activity, it would be expected to respond in a proportionate manner.

I've carefully reviewed the information from both Mr D and Atlantic Money, and while I understand how upsetting this situation is for Mr D, I don't believe it's fair to hold Atlantic Money responsible for what happened because I don't think it ought to have intervened when Mr D made these payments.

It's clear that Mr D has been the victim of a scam. But, based on what I've seen, I don't think Atlantic Money ought reasonably to have been expected to prevent this. Mr D used the Atlantic Money app specifically to make international payments, and that's typically how people use this type of service. Likewise, it is often used to make larger, one off payments.

Mr D didn't have a history of transactions with Atlantic Money, so it wasn't in a position to spot anything unusual or out-of-line with his usual behaviour. Although this in itself doesn't excuse Atlantic Money from its responsibility of protecting its customers from financial harm, I've also kept in mind that it needs to balance what's practical with the risks it identifies, as well as not unnecessarily inconveniencing its customers.

However, even if Atlantic Money had decided that there was fraud risk associated with this payment, I can only ask that it refund him if I'm persuaded that its failure to act was the cause of his losses. In other words whether, if it had intervened and provided him with a tailored warning, it would have prevented Mr D from going ahead with the payment.

In this case, Atlantic Money hasn't provided information about any interventions or warnings that took place before the payments were sent. I have carefully considered whether Mr D would have chosen not to proceed with the payments if he had received a tailored warning from Atlantic Money. Having done so, I think Mr D would have proceeded with the payments even if Atlantic Money had provided a warning. I have reached this view as I am mindful that Mr D had taken steps to satisfy himself that the seller appeared to be legitimate, including obtaining proof of identity from the seller and registration details for the car he wanted to purchase.

In view of this, I think Mr D would have chosen to proceed even if he had received a tailored warning from Atlantic Money as he had taken steps to satisfy himself that he appeared to be dealing with a legitimate seller. I am also mindful that Mr D had time to re-consider his decision to send the funds when Atlantic Money asked him to confirm the account information as the account details he had provided were for an account that had been

blocked.

That said, I note that it appears to have been a typo on the account information that caused the first payment attempts to fail. It was not the case that a new account number was provided by the scammer. As this was the case, I don't think either Mr D or Atlantic Money would necessarily have had cause to be concerned that the first payment attempts had failed.

It is very unfortunate that Mr D was in fact the victim of a cruel scam but I can't reasonably require Atlantic Money to reimburse him for the money he lost as there was nothing to suggest that Mr D was being scammed when he instructed Atlantic Money to make the payments – he appeared to be making a legitimate purchase of a car from an overseas seller and using its service to pay the seller.

### Recovery of the funds

Atlantic Money says that when Mr D confirmed he had been the victim of a scam, on 30 January 2024, it attempted to recall the funds from the beneficiary bank the following day. On 22 February 2024 it confirmed that the recall had failed and the account had been closed.

It's common in scams like this for funds to be withdrawn very quickly after they are credited to the account, often within minutes. So although Atlantic Money acted promptly, I think it was unlikely it would have been able to recover anything, even if it had acted sooner than it did. And as I've seen that Atlantic Money did try to contact the bank, albeit unsuccessfully, I can't say it acted unfairly here.

I am mindful that on 24 January 2024, Mr D contacted Atlantic Money and said he felt it was possible he had been scammed. He asked Atlantic Money what it could do to assist him if he was indeed the victim of a scam. It asked Mr D for more information to establish why he felt he might be the victim of a scam. Mr D then said he had heard from the seller who said they had still not received the funds. He said '*...so will give it a day maybe?*'. Atlantic Money then sent Mr D an article setting out what to do if he thought he had been scammed.

I have carefully considered whether Atlantic Money should have taken steps to recall the funds when Mr D first said he was concerned he might be being scammed on 24 January 2024. As our investigator noted, even if Atlantic Money had tried to recall the funds earlier, recall requests are done on a best endeavours basis and are not guaranteed. As the recall was for an international payment it takes longer as it involves contacting the overseas bank and it is not unusual for an intermediary bank to also be involved. As this is the case, even if Atlantic Money had discussed recalling the payments with Mr D on 24 January 2024 and he had agreed to this course of action, it is unlikely his funds would have been recovered as it is highly likely the scammer would have withdrawn the funds very soon after they were credited to the account.

In his correspondence with this service Mr D has raised a number of points about the way Atlantic Money operates its business. The Financial Ombudsman Service is an informal dispute resolution service and we do not have the power to order a business to change the way it operates. I note that Mr D has contacted the industry regulator, the Financial Conduct Authority (FCA). He may wish to pursue his concerns about the way Atlantic Money operates with the FCA.

I am sorry that Mr D has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I can't hold Atlantic Money responsible for the loss Mr D has suffered.

**My final decision**

For the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 27 March 2025.

Suzannah Stuart  
**Ombudsman**