

## The complaint

Mr B complains that The Royal Bank of Scotland Plc (RBS) is refusing to refund him the amount he lost as the result of a scam.

Mr B is being represented by a third party. To keep things simple, I will refer to Mr B throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

Mr B has told us, in summary, that he was contacted via a messaging application randomly by an individual I will call X, claiming to be a representative of a platform I will call Y. X explained that Y was able to provide a passive income if Mr B staked cryptocurrency on their network.

Mr B says that X showed him her account and persuaded him the opportunity was genuine. Mr B invested a small amount which went well, before he was persuaded to take part in a promotional offer that required him to invest substantially more.

Shortly after making the investment Y told Mr B he would have to invest a further £50,000 otherwise his initial investment would be lost. At this point Mr B realised he had fallen victim to a scam.

Mr B made the following payments in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	28 December 2023	Kraken	Transfer	£5,000.00
	3 January 2024	Kraken	Credit	£77.10cr
2	10 January 2024	Kraken	Transfer	£3,000.00
3	21 February 2024	Kraken	Transfer	£16,000.00

Our Investigator considered Mr B's complaint and didn't think it should be upheld. Mr B disagreed, so this complaint has 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.

Mr B has provided limited evidence to support how the scam occurred, but given what I have seen I think it's likely Mr B has fallen victim to a scam. What's in dispute is whether RBS should refund the money Mr B lost due to the scam.

*Recovering the payments Mr B made*

Mr B made payments into the scam via transfer. When payments are made by transfer RBS has limited options available to it to seek recovery. Mr B didn't make the payments directly to the scammer, instead he made payments to a cryptocurrency exchange, in return he received cryptocurrency that was transferred to the scammer.

As there is no dispute that Mr B received cryptocurrency in exchange of the payments he made, and it took further steps for the funds to be moved to the scammer any recovery attempts would have no chance of success.

*Should RBS have reasonably prevented the payments Mr B made?*

It has been accepted that Mr B authorised the payments that were made from his account with RBS, albeit on the scammer's instruction. So, the starting point here is that Mr B is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether RBS should have been aware of the scam and intervened when the payments were made. And if it had intervened, would it have been able to prevent the scam taking place.

Mr B was making substantial payments in relation to the scam to a known cryptocurrency exchange. Payments to cryptocurrency exchanges come with an increased risk that RBS should be aware of. So, I think RBS should have had concerns when Mr B made payment 1 and it should have intervened.

However, there are some inconsistencies in the information and evidence that Mr B has provided. In addition to what Mr B told us happened (outlined above) Mr B has provided copies of some of the messages between himself and X. Initially Mr B was only able to provide messages from after the payments were made, but once requested Mr B was able to provide a limited number of messages from the beginning of the scam too.

The initial messages show that Mr B received messages from X that appeared to be intended for someone else and he instigated a conversation (this was no doubt X's plan). But Mr B and X then started to discuss X's business and X's plans to expand that business. There is no mention in the first few days of messaging about the investment opportunity with Y but more a general conversation showing the development of trust between the two of them.

With this in mind, and that I have no evidence of the conversations that took place when the actual payments were being made, I have no way of knowing how the relationship developed, how strong the bond became, or how much guidance Mr B was receiving. However, considering Mr B was willing to part with a substantial amount of money having received messages from someone he had never met before I think it's fair to assume that X was very convincing, and Mr B did trust her.

With the lack of evidence available I don't have enough to say that had RBS intervened as I think it should have, that Mr B would not have been guided through the questions RBS asked and that the payments would not have been approved. Without further supporting evidence I can't say that an intervention from RBS would have been successful.

For these reasons, I am unable to hold RBS responsible for Mr B's loss, and it is not required to refund the payments he made.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 July 2025.

Terry Woodham  
**Ombudsman**