

## **The complaint**

M complains that ClearBank Ltd won't refund the full amount of money it lost to a scam.

## **What happened**

M sent several payments to what turned out to be a safe account scam. M thought ClearBank should have done more to protect its money, so it logged a complaint with the bank.

ClearBank looked into the complaint and upheld it in part. It found it could have prevented some of the money being lost, but that M should also share responsibility for the loss.

M thought it should get all its money back. So, it brought its complaint to our service.

Our investigator looked into the complaint and upheld it in part. She found ClearBank should have intervened earlier than the bank had decided it should. She also thought more money could have been recovered had ClearBank raised a claim with the receiving bank earlier – and M should take some responsibility for the loss.

ClearBank didn't agree with the investigator's view, so the complaint was passed to me to decide.

I decided ClearBank should have intervened at an earlier point than the investigator. I also didn't find M should be held equally responsible for the loss. So, I emailed both parties to set out my thoughts.

M replied and agreed with my provisional findings. ClearBank didn't agree.

So, the complaint is back with me to issue a final decision.

## **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 very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

In broad terms, the starting position at law is that a bank such as ClearBank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with The Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that ClearBank should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer.
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In the circumstances of this complaint, given the frequency of the payments leaving the account, and the overall value, I'm satisfied ClearBank ought to have been concerned M could be at risk of financial harm by payment seven. At this point it had sent six payments of similar amounts in quick succession and the total had reached around £3,000. I appreciate it was a business account and these can often be used differently to a personal account regarding values and frequency, but by payment seven, I'm satisfied it was starting to show the hallmarks of a safe account scam.

At this point a proportionate intervention would have been to either ask M a series of questions to get a better understanding of the payment purpose or make a phone call. As there was no cover story that I'm aware of regarding a bank intervention, I think its most likely M would have told ClearBank it was a safe account issue and this would have alerted the business to the fact it was being scammed. Whether it be by way of automated questioning or immediately to an intervention call, I'm satisfied the outcome would have been the same.

So, I'm satisfied that ClearBank should refund from this point onwards, minus any money already recovered or received.

ClearBank has said that the previous spending on the account hasn't been considered. Although I agree this is something we take into account when thinking about where the point of intervention should have happened, I've not decided this on the value alone. The frequency of the payments being made ought to have alerted the bank to the possibility M could be at risk of financial harm in these circumstances.

Having considered whether I think liability should be shared as the investigator has suggested, I'm not convinced it should be. I'll explain why.

I understand that there were account mismatches when each of the four scam account payees were set up - but the scammer reassured M that this was due to an IT issue. Once this was accepted once (and I don't find it unreasonable that it was accepted by M), I'm satisfied the following three times would have also seemed plausible and believable, as nothing about the structure of the scam had changed.

The way the scam was set up also appears to be sophisticated, to the point that M could see a convincing screen shot of what looked like the bank's webpage, and the balances of the new accounts were updating as the money was transferred. This would have provided further reassurance that it was a legitimate call and by this point it would have been relatively straight forward for the scammer to get M to move on from any general scam warnings it was being given. This wouldn't have been possible had someone from the real ClearBank spoken to M though. The scammer also made M aware of a payment on the account that he didn't make, and this in my view would have convinced M further that he was speaking to a bank employee as opposed to a scammer, as they could see his account spending.

I've considered that the sort codes may not have matched accounts with ClearBank, but I'm not convinced M was in a position to check these when it was under pressure to transfer money to accounts that it thought were stopping it getting into the hands of scammers. We know scammers rely on speed and panic during safe account scams, and by putting consumers under pressure this often leads to discrepancies like this being missed. So, I don't find the liability needs to be shared and ClearBank should refund the full amount of the payments from payment seven.

Although the scammer set the new accounts up in a different name to the one M thought was at risk, the names were remarkably similar. And given M thought its accounts were at risk, I don't think it would have appeared odd that a new account could not have the exact same name as the one it thought was being scammed.

So overall, although there were potential reasons for M to be concerned when it made the payments, I'm not convinced it acted negligently to the point that it would be fair and reasonable to reduce the award in these circumstances. The scammer had a plausible and persuasive story which convinced M to move past any discrepancies and I don't find it unreasonable that it did so.

Lastly I've thought about recovery.

When M made the payments, the money wasn't moved on straight away, but instead around an hour after the scam claim was raised. The investigator said that ClearBank should have raised the claim sooner with the receiving bank and it would have led to more of the money being recovered before the scammer had a chance to remove it.

I've considered this point carefully, but I don't agree.

Given the number of transactions and the complexity of the scam, coupled with the time on the call to report the claim, I'm not convinced ClearBank had enough time to gather the information and submit the report to the receiving bank before the money was removed. So, no additional money needs to be paid due to the failed recovery.

## **Putting things right**

Given what I've said above, I uphold this complaint and instruct ClearBank Ltd to resolve it in line with my instruction below.

- Refund the full amount from payment seven onwards minus any previous amounts refunded or recovered.
- Pay 8% interest (to reflect the loss of use of this money in the account) on the refund from the payment date to the date of settlement.

If ClearBank considers that it's required by HM Revenue & Customs (HMRC) to deduct tax from that simple interest, it should tell M much tax it's taken off. It should also provide a tax deduction certificate if M asks for one

## **My final decision**

My final decision is that I uphold this complaint.

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

Tom Wagstaff  
**Ombudsman**