

## **The complaint**

A, a limited company, has complained The Royal Bank of Scotland plc did nothing to protect them when they were the victim of a scam.

## **What happened**

Mr A is a director of A. For ease, I will refer to both throughout this decision.

In April 2024 an order was received by email for goods which A sells. Advance payment for these goods was requested before dispatch. An invoice was sent for £79. A was told payment had been sent but a mistake had been made as the funds supposedly destined for a builder had been paid into A's account rather than just the £79 due.

Mr A could see a payment of £4,980 had been made into A's account on 4 April. Mr A arranged for a refund of £4,901 to be made on 5 April. An email was sent confirming the payment had been made.

The following day Mr A saw that the payment of £4,980 – which was made by cheque – had been returned unpaid. He complained to RBS where A banked.

RBS notified the beneficiary bank and asked them to use their best endeavours to refund the money A had lost. They then confirmed A had been the victim of a scam, but the beneficiary bank confirmed no funds remained.

Mr A was unhappy that A was out of pocket and brought their complaint to the ombudsman service.

Our investigator confirmed that RBS had met their terms and conditions. He wouldn't have expected them to have alerted A that they were returning the cheque.

Mr A remained unhappy on A's behalf and has asked an ombudsmen to consider this complaint.

## **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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

There's no dispute A was scammed. I can see that a cheque was paid into their account, which the scammer would have known – that in accordance with cheque imaging rules – would have registered on A's account by the end of the day it had been paid in. They then

told A of their supposed error and relied on Mr A's goodwill to reimburse what had been supposedly overpaid by sending money back electronically.

Mr A has complained that he wouldn't have known that the payment inwards of £4,980 was in fact a cheque. But I disagree. The narrative on A's account shows a credit alongside a cheque number. I appreciate that cheques are less familiar than they used to be and it's certainly the case that the scammer had misled Mr A by implying the overpayment had been made electronically. But if Mr A had any concerns, he could have checked with RBS and I'm sure they'd have confirmed the payment was a cheque. And that it was still possible for that cheque to be returned unpaid.

It's standard for most banks to just use cheque numbers when a cheque is debited or credited to an account.

I've reviewed RBS's terms and conditions and these confirm on day 1 of a cheque being paid in (which in this case is equivalent to 5 April 2024) the money is available for use *"but may be removed if the bank or building society of the person who is making the payment to you decides not to pay the cheque ... after 23:59 the bank or building society of the person making the payment to you can't reclaim the payment (unless fraud is suspected)"*.

I can't say that RBS has done anything wrong in removing the funds before 23:59 on 5 April.

I have also considered whether RBS should have intervened when A set up a new payee and sent a payment of £4,901 on 5 April. But A is a small business, and I can see from their bank statements that payments of this amount are regularly made so it's not the case that RBS would have identified this transaction as unusual.

The aspect which did cause further investigation was what RBS did when Mr A notified them A had been the subject of a scam. It's certainly the case that RBS didn't alert the beneficiary bank and ask them to use their best endeavours to return funds until 8 April 2024. It wasn't until later that RBS accepted A had been a victim of a scam and sent a fraud alert to the beneficiary bank, which required them to send back any remaining funds.

I wanted to discover whether if RBS had sent out a fraud alert on 8 April this would have made any difference. We've spoken to the beneficiary bank to get further evidence. Unfortunately for A, they were able to show that all of the funds in the beneficiary account were spent on 5 April 2024. Within I suspect a very short period of Mr A confirming at 15:40 by email that the repayment had been made.

Therefore, despite RBS making an error, this made no difference to the outcome. I am therefore not going to ask RBS to do anything further.

### **My final decision**

For the reasons given, my final decision is not to uphold A's complaint against The Royal Bank of Scotland plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 20 October 2025.

Sandra Quinn  
**Ombudsman**