

## The complaint

Ms C complains that Clydesdale Bank Plc trading as Virgin Money (as the recipient bank) didn't do enough to prevent her losing money to a scam.

Ms C has used a representative to bring her complaint. But for ease of reading, I'll mostly just refer to Ms C herself, where I also mean the representative.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. Ms C says that she's been the victim of a scam. In October 2022 she made seven payments each for £5,000 to an account held with Clydesdale. The accountholder was a business I'll refer to as 'S'. At the time Ms C believed this was to fund an investment in art.

S later went into liquidation and Ms C formed the opinion that they had been operating a scam. In July 2023 Ms C complained to Clydesdale who investigated but ultimately didn't offer any redress. Ms C says she only ever received £1,000 as a return and is seeking her outstanding loss. Clydesdale's complaint response said there had been no bank error. The matter was referred to our service and one of our Investigators didn't recommend the complaint should be upheld. Ms C didn't accept this and asked for an Ombudsman to review her complaint.

In March 2025 I issued a provisional decision, which both set out our jurisdiction and covered the merits of what I can consider. Part of my provisional decision said:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Much of the submissions on Ms C's complaint centre around whether S were operating a scam or not. This isn't something I need to make a finding on to fairly decide this complaint. Even if it could conclusively be shown that S were operating a scam, for the reasons I'll come to, I don't think this impacts the outcome of this complaint.*

*In the circumstances here, there is no automatic right to a refund from the recipient bank in relation to payments made as a result of an alleged (or even proven) scam. It would only be fair and reasonable for me to require Clydesdale to pay redress if they are responsible for errors which could fairly be said to have caused the loss. For the reasons I'll explain, I don't think they are.*

*The account that Ms C paid had been open for a number of years before her payments arrived in it. The evidence supports that Clydesdale appropriately conducted ongoing due diligence in relation to the account, as they are expected to. And at the relevant time, given the information Clydesdale knew about S, I don't think the arrival and spending of Ms C's payments (or any other payment within the context of our jurisdiction that I've previously explained) would've appeared so unusual, suspicious or indicative of a potential problem such that I'd have expected Clydesdale to have done more at the time.*

*The established pattern of activity involves what appears as genuine business activity with payments out for utility bills, taxes, what appear to be suppliers and various other businesses. This was in line with what was expected for an account of this type. There wasn't anything I reasonably think Clydesdale should have picked up on or questioned further. Also at the material time there was nothing in the public domain indicative of a potential issue with S. As is common for many business accounts, occasional disputes were raised and investigated by Clydesdale and I don't think it was unreasonable for them not to have had further concerns at the time.*

*It simply wasn't unusual for this account to receive and make payments of similar amounts (and indeed for larger sums) to that of Ms C's. And whilst I acknowledge her allegation that the entire account was scam related, against the background of what I've set out above, there wasn't any reasonable basis at the time for Clydesdale to have thought the activity was anything other than genuine.*

*Ms C's payments were all paid away from the account before Clydesdale were aware of the potential problem with her payments. So I don't think Clydesdale reasonably could've done more to try to recover the same.*

*I also note that at the times of Ms C's payments Clydesdale were a signatory to the Lending Standards Board's Contingent Reimbursement Model Code (CRM Code). So it is a potentially relevant consideration in this complaint. One of the requirements for reimbursement is that the claimant has been the victim of an APP scam. However, at R2(2) it also says in relation to the expectations on a receiving bank:*

*"In assessing whether a Customer should be reimbursed or not, Firms should consider... whether the acts or omissions of the Firms involved in trying to meet the Standards for Firms may have impeded the Customer's ability to avoid falling victim to the APP scam."*

*So in essence, in the event that it is later shown that S were operating a scam, such that it satisfies the CRM Code's definition of an APP scam, this wouldn't make a difference to the outcome of this complaint about Clydesdale. This is because (for the same reasons as those set out above), I don't think Clydesdale have failed to meet the standards for firms in a way which would have impeded Ms C's ability to fall victim at that time (as required under the CRM Code).*

*I'm of course sorry to hear Ms C lost money. But as I'm not persuaded this is something Clydesdale are responsible for, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint."*

*Ms C provided a response to my provisional decision which I'll address below. Clydesdale didn't respond.*

### **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.

Ms C's further response focussed on her arguments as to why she believes S were operating a scam. But as I set out in my provisional decision, I don't need to make a finding on that point to fairly decide this complaint. And as there were no submissions in relation to the reasons I've set out above, I see no reason to deviate from the outcome explained in my provisional decision.

**My final decision**

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 15 April 2025.

Richard Annandale  
**Ombudsman**