

The complaint

Mr H complains that AIB Group (UK) Plc ("AIB") didn't do enough to protect him when he fell victim to a scam.

What happened

I'm not going to cover all the points raised in detail. The view of 4 December 2024 covered the details of Mr H's testimony regarding the £700 he transferred for alloy wheels he found on a social media marketplace. Mr H subsequently received an email from the 'shipping company' asking for a refundable payment of £500. This is when he realised it was a scam.

Our investigator did not uphold the complaint. She concluded but the payment wasn't unusual and didn't carry a heightened risk of financial harm from fraud. So she didn't think there was any reason for AIB to intervene during the payment process. The call Mr H had with AIB was not due to fraud concerns but rather Mr H wanted to know why the payment had left his account. She also concluded that AIB had shown Mr H a warning during the payment process.

Mr H did not agree he was shown a warning at the time. He also disagreed that he spent similar amounts to the scam payment and asked for a final decision.

As the complaint could not be resolved informally it's been passed to me for a 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.

Having done so, I've reached the same conclusion as our investigator broadly for the same reasons.

When considering what is fair and reasonable, I'm also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant.

There is no dispute Mr H authorised the payment. So even though he didn't intend the payments to end up with a fraudster, the payment was 'authorised' under the Payment Services Regulations. AIB is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And Mr H is presumed liable for payments he's made in the first instance.

However, where a customer makes a payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer - even though they authorised the payment.

Taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, AIB should have been on the look-out for the possibility of fraud and in some circumstances make additional checks before processing payments.

I've looked at Mr H's account statements in the lead up to the scam payment and I can't fairly conclude that it should have stood out to AIB as being unusual or out of character. I appreciate the outgoings on the account were generally of lower value to the payment made, but the payment was unremarkable, and the payment didn't leave Mr H with less money than he usually had available for his day-to-day expenses. I appreciate it's a lot of money to Mr H – but banks can't reasonably be involved in every transaction. There is a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

I don't consider the bank missed a clear opportunity to identify a potential scam risk. In these circumstances I wouldn't have expected AIB to intervene and question Mr H about the payment. I don't consider it's reasonable to expect AIB to ask questions about payments that don't present a heightened risk of fraud or scam.

That said AIB has submitted it did provide a warning in response to the payment purpose Mr H chose. I appreciate Mr H may not now recall the warning that was displayed during the online payment process when he selected 'paying for goods or services' as the payment purpose. I also appreciate Mr H spoke to the bank over the phone, but this was regarding the pending status of the transaction. I have listened to the call, but there was nothing to indicate Mr H was at heightened risk from fraud and I don't think AIB needed to do any more than it did here, for the reasons I've explained above.

I'd expect AIB to take reasonable steps to try to recover the money their customers have lost, once they are made aware of a scam. AIB reached out to the beneficiary bank shortly after Mr H reported the scam, but it was told that no funds remain. This is not unusual as scammers usually remove funds within hours.

When I consider cases like this – I am looking at whether the bank – who was not party to the scam itself – should have done more. It doesn't automatically follow that AIB is liable for a loss or all of the losses, just because a customer is a victim of fraud.

I sympathise with the position Mr H has found himself in. He has been the victim of a cruel scam and I appreciate that my decision will come as a disappointment to him. But, for the reasons I've set out above, I don't think AIB has acted unreasonably or that anything I would reasonably have expected it to do would have prevented this scam or recovered the money he lost.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 July 2025.

Kathryn Milne
Ombudsman