

The complaint

A company, which I'll refer to as 'G', complains that SCIOPAY LIMITED won't refund the money it's lost to a scam.

Mr R, who is a director of G, brings the complaint on G's behalf.

What happened

G received emails from one of its regular suppliers, requesting payments to a new bank account. Mr R says there was nothing notably suspicious about the emails, and the following payments were made to the new account details using G's foreign exchange facility with SCIOPAY:

Date of payment	Amount of payment
31 May 2023	£20,153.00
5 June 2023	£21,420.20

Unfortunately, a fraudster had sent the emails and the new account details weren't for an account held by the supplier.

When the fraud came to light, Mr R complained to SCIOPAY. He said that its systems had failed to pick up on out of character transactions that were indicative of fraud and, had SCIOPAY intervened in the disputed payments, G's financial loss would've been prevented.

SCIOPAY has declined to reimburse G's loss.

What did our investigator say?

Our investigator didn't think it was reasonable to expect SCIOPAY to have prevented the fraud, so they didn't ask it to refund G.

Mr R didn't agree. In summary, he said that although the size of the disputed payments wasn't necessarily unusual for G, they went to a new payee and, usually, G only made high-value payments to known and trusted payees.

Mr R asked for an ombudsman's final decision, so the case 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.

Having done so, I have reached the same conclusions as our investigator, for similar

reasons.

Taking account of what SCIOPAY knew about G and the disputed payments at the relevant time, I'm not persuaded that it ought to have identified a fraud risk, or that it ought to have taken any action in relation to the payments. The payment values were in line with G's usual activity, and I don't consider that there were any other concerning factors present (such as the payments being made in rapid succession). I note that they went to a new payee, but I'm not persuaded that, in itself, is enough to say SCIOPAY ought to have identified a risk and intervened – I think it's to be expected that companies will engage and pay new suppliers at times, and I don't think it's reasonable to expect a firm to intervene each time a company does this, in absence of any other concerning factors.

Overall, I'm not persuaded that it would be fair or reasonable to require SCIOPAY to reimburse G.

Finally, I've thought about whether SCIOPAY could've done more to recover G's funds but, due to the nature of the disputed payments, and the delay in reporting the fraud, I'm not persuaded that it could.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 23 April 2025.

Kyley Hanson
Ombudsman