

The complaint

Mr I complains that Clydesdale Bank Plc trading as Virgin Money (Virgin Money) didn't do enough to prevent him losing money to a scam.

Mr I has used a representative to bring his complaint. But, for ease of reading, I'll mostly just refer to Mr I himself 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 an overview of some of the key events here. In late 2022 and early 2023 Mr I says he was the victim of a scam. He says he came across what he believed to be a legitimate investment opportunity online. He says he had access to a 'platform' where he could see his trades progressing and his profits accruing. But when Mr I says he tried to make a withdrawal, he found he was unable to and he later concluded he'd been scammed.

As a result of the scam Mr I says he made the following transfers from his Virgin Money account. All the payments went to his own account with 'R'. From there I understand they were used to purchase cryptocurrency which he believed was to fund his account but was ultimately lost to the scam. Mr I also later mentioned to our service an initial £500 card payment to a merchant called 'A' in October 2022 which he believes was his first payment towards the scam.

Date	Amount
17 November 2022	£10
17 November 2022	£4,000
18 November 2022	£5,000
1 December 2022	£9,000
15 December 2022	£10,000
13 January 2023	£5,000
19 January 2023	£5,000
31 January 2023	£3,000
15 February 2023	£25,000
16 February 2023	£5,000
17 February 2023	£6,000

Virgin Money didn't uphold Mr I's complaint. They pointed out that they'd had a phone call with Mr I prior to processing his £4,000 payment in November 2022. They declined to provide any redress or a refund. Mr I referred his complaint to our service and it was considered by one of our Investigators who didn't uphold it. In summary he didn't think Virgin Money could fairly be said to be responsible for the loss. Mr I disagrees and has asked for an Ombudsman to review his 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 overall outcome as our Investigator and for similar reasons. I know this will be disappointing for Mr I, so I'll explain why.

Firstly, there is no automatic right to a refund from Virgin Money in these circumstances. It isn't in dispute that Mr I made the payments relevant to this complaint. So, the starting position is that he will usually be responsible for payments he's made himself. But Virgin Money should also be alert to the possibility of fraud, scams and the misappropriation of funds. They should also do what they reasonably can to protect their customers from the same.

However, Virgin Money can't be involved in every payment and I think it is fair that there is a level of proportionality as to what can fairly be expected in terms of when (and to what extent) to intervene. There is a balance to be struck between stopping and checking payments and allowing customers ready access to their funds.

When Mr I first paid his account with R, Virgin Money sought some clarity around the £4,000 payment. I've listened to the call in question and Mr I explained that his payment was to top up his account with R. Virgin Money warned him about the possibility of a 'safe account' scam before going ahead. I think it was reasonable for Virgin Money to process that payment following that interaction and I don't think I could fairly say they should have gone significantly further than they did for a payment of that value. Virgin Money also presumably would've also seen from the confirmation of payee that the payment was indeed going to an account in Mr I's name, as he'd said.

I've also considered the remainder of Mr I's payments. For many of these Virgin Money asked the purpose of the payments to which Mr I generally replied that they were transfers to his own account. I've thought carefully about whether Virgin Money should've done more before processing any of these payments.

To help decide this, I've looked back through Mr I's account activity for the months prior to the payments he says were towards a scam. It wasn't particularly unusual for Mr I to instruct payments of similar (or greater) value to those in dispute. Some examples of this are outgoing payments of around £7,330 and £18,500 in November 2022, over £105,000 in December 2022 and around £4,400 in January 2023. I accept the largest of those payments appears to relate to a property sale and I accept to an extent it was likely to be a one-off. But even taking that into account, I don't think Mr I's payments to his account with R (against the backdrop I've explained) would've stood out as so unusual, suspicious or indicative of a potential problem such that I think they should've done more before processing them. There was no particular urgency to the payments with them being spread across a number of months and I don't think they would have stood out compared to the way in which the account operated. It follows that I don't think Virgin Money are at fault for the payments leaving the account.

For completeness, I also don't think the initial £500 payment that Mr I thinks was his first towards the scam is one that Virgin Money should've done more before processing either. For much the same reasons as I've given above, I don't think it would've stood out or should've made Virgin Money think Mr I was at risk of financial harm. I also wouldn't have expected Virgin Money to have provided reimbursement under the Lending Standards

Board's Contingent Reimbursement Model (CRM Code). This scheme required that payments were made to another person and didn't cover payments to a customer's own accounts (as is the case here). And whilst Mr I has suggested he was vulnerable at the time of falling victim to a scam (because he was looking for additional income with a view towards his retirement), I've not seen persuasive evidence to support that this is something that would indeed make him vulnerable. And even if it was, I don't think it's something Virgin Money either knew or reasonably ought to have ascertained. So I can't fairly criticise them for not having done more on that basis.

Given the recipient account with R was Mr I's, I also don't think anything Virgin Money did or didn't do would've impacted recovery of the payments. Had funds remained with R, Mr I would've already been in control of them.

I'm obviously sorry to hear Mr I lost the money he did and the impact this has had on him. But as I don't think this is something Virgin Money are responsible for, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

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 Mr I to accept or reject my decision before 13 November 2025.

Richard Annandale
Ombudsman