

## **The complaint**

Ms K complains that Clydesdale Bank Plc has declined to reimburse payments made as part of a scam.

## **What happened**

As the facts are well known to both parties and not in dispute I'll summarise them briefly.

In early 2022, Ms K met a scammer online who she believed she was in a romantic and trusting relationship with. During this scam Ms K made several payments under the instruction of the scammer. In September 2022 Ms K took out a credit card with Clydesdale and shared the card details with the scammer. At the time Ms K believed that he was acting in her interests and says she didn't review the activity until after she realised it was a scam around a year later.

Ms K raised a dispute with Clydesdale, but it declined to reimburse her on the grounds that it didn't think a chargeback could be raised in the circumstances.

When Ms K referred her complaint to our service, the investigator didn't uphold it. In summary they said they thought it was fair for Clydesdale to treat the payments as authorised and that they didn't think it was likely a successful chargeback could have been raised in the circumstances.

As Ms K didn't agree, the matter has been passed to me for a decision by an ombudsman.

## **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 the investigator for similar reasons.

I'm very sorry to learn of the scam Ms K has fallen victim to and the impact this has had on her, I understand she's vulnerable and that this has made her situation worse.

The Payment Services Regulations (PSRs) 2017 set out the relevant law in relation to the authorisation of payments like the ones Ms K is disputing. These allow for Ms K to authorise payments by consenting to them herself or for a third party to consent to them on her behalf.

Ms K accepts she took out the credit card on the instruction of the scammer and that she gave the scammer the card details to use. When a consumer creates this kind of agency relationship informally, they are bound by the acts of the agent that are within the scope of the actual authority given. And the consumer can also be bound by the acts of a third party which appear to have been made with their authority in certain circumstances. Put more simply, this means that where Ms K has let a third party make payments on her behalf these can be treated as authorised depending on the circumstances.

Here, it's not clear that there was any limit on what she agreed the scammer could do on her

credit card with Clydesdale, but I understand she believed he would be acting in her interests and that there would be some sort of investment return in the future. When Ms K permitted the scammer to appear as if they had her authority to make payment transactions, it was reasonable for Clydesdale to rely on that and process the payments. So, I think it has acted fairly in treating the payments as authorised.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Clydesdale ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I've reviewed the payments on Ms K's account and having considered when they were made, their value and who they were made to, I'm not persuaded Clydesdale ought to have found any of the payments suspicious to the point that it ought to have made enquiries of Ms K before processing them.

Given the time that passed between the payments taking place and Ms K reporting any issue to Clydesdale, and that it's likely whatever goods/services the scammer paid for were provided, I don't think it's likely that Clydesdale could have raised a successful chargeback or had other liabilities in relation to the payments.

Clydesdale was not aware of Ms K's circumstances at the time of the payments and while I appreciate she may well not have benefitted from the payments, for the reasons I've explained I don't think Clydesdale has acted unfairly in holding her liable for them.

I understand Ms K has been given the details of debt support charities. If Ms K is in financial hardship, she would need to communicate with Clydesdale (or the current owner of the debt if different) to arrange an affordable repayment plan.

### **My final decision**

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 K to accept or reject my decision before 7 April 2025.

Stephanie Mitchell  
**Ombudsman**