

## The complaint

Miss H complains that Clydesdale Bank Plc (trading as Virgin Money) have declined to refund her for transactions she says came as a result of a scam. She'd like the money returned to her.

## What happened

Miss H has appointed representatives for her complaint, but for ease of reading I'll only refer to Miss H in this decision.

In 2020 Miss H found an investment opportunity on social media. She used her business account with Virgin Money to transfer funds into the investment. In total she sent £63,846.92, to two recipients I'll refer to as B and S.

Date	Recipient	Amount
22 May 2020	B	£20,000
22 September 2020	B	£25,431.63
5 January 2021	B	£10,350
11 January 2021	S	£8,065.29

Later Miss H felt that she had fallen victim to a scam. She complained to Virgin Money asking for reimbursement under the Lending Standard Board's voluntary Contingent Reimbursement Model (CRM) code. Virgin Money declined to refund Miss H, saying that they had only signed up to the CRM code after the payments had been made and the code didn't work retrospectively.

Dissatisfied with this Miss H referred her complaint to our service. One of our investigators looked at it, but didn't think Virgin needed to do anything further. Miss H disagreed so the complaint 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.

### Is Miss H covered by the CRM code?

The CRM code is a voluntary code some banks in the UK are signed up to. Broadly it said that banks should refund people who have been tricked in to making authorised push payments (APPs) to fraudsters – subject to certain exceptions.

The CRM scheme wasn't mandatory, and crucially for this complaint wasn't retrospective to cover payments before the code came into force. Virgin Money only signed up to the code from 28 February 2022 – which is over a year after Miss H's last payments to B. It should also be noted that the payment to S was made by card, so wouldn't be considered an APP. Therefore, it wouldn't be covered anyway.

What this means is that there's no expectation on Virgin Money to refund Miss H under the code. But I have gone on to consider what would be fair and reasonable, in all circumstances of the complaint.

*Should Virgin have done anything to prevent the transactions?*

There's no suggestion that anyone other than Miss H authorised these payments. And generally, a bank's obligation is to act on their customer's instructions without unreasonable delay. And once a payment is authorised there's no specific obligation on a bank to refund it, even if it turns out to have been sent to a fraudster.

However, Virgin Money still have legal and regulatory obligations to monitor accounts for signs they could be falling victim to fraud or financial harm. If a transaction, or particular set of transactions, looks significant unusual or out of place then I may reasonably expect a bank to intervene and ask further questions – the hope here is that any fraud or scam is uncovered, and the loss prevented.

Here, Miss H's business account wasn't in regular usage. There is very little to go on to show what a regular pattern of transactions should be – there had been minimal use before the first payment, except what appear to be transactions between other accounts held by Miss H. The money utilised had only recently been transferred in. So, I can't see that this reasonably should have prompted any concern.

The second payment was four months later. The money utilised had been transferred in the previous week, and some had been sent to what appears to be another of Miss H's account. The third payment was another four months later. By this point B was an established payee, and Miss H hadn't raised any concerns.

While these certainly the largest transactions from Miss H's account, there isn't enough account activity for me to say that they represent a significant departure from the usual account activity. I also have to bear in mind this is a business account, and so the activity is going to be different from that on a personal account. Three APP transactions over eight months doesn't suggest urgency, which may be an indicator of fraud.

The last payment is a card payment to what appears to be a cryptocurrency platform. I can see that this may have caused some concern, but I'm also not inclined to say that it ought reasonably to have led to Virgin Money asking Miss H further questions.

Even if it had, at this point she seemingly believed she was engaged in legitimate investment activity. I've seen nothing to indicate that at the time it would have been reasonably clear to Virgin Money that Miss H was potentially falling victim to a scam. Even now the information available about these companies is limited. The information Miss H has supplied doesn't demonstrate an obvious scam, such that Virgin Money should have picked up on it at the time. So, I don't see that there is an obvious missed opportunity to prevent any losses.

I'm sorry to hear how this has all affected Miss H, and I've no doubt this has been a very difficult experience for her. But I'm not persuaded that Virgin Money have done anything wrong in processing the transactions she requested, and I don't see that it would be reasonable for me to ask them to refund her.

**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 Miss H to accept

or reject my decision before 25 June 2025.

Thom Bennett  
**Ombudsman**