

The complaint

Mr V complains Bank of Scotland plc (“BoS”) failed to protect him from financial harm and refuses to refund the money he lost to a scam.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail.

In short, Mr V says he made payments into a cryptocurrency wallet to pay a scammer who had enlisted his partner in a job scam. He says his partner applied for a job online and was then contacted via WhatsApp and instructed to complete tasks for money. However, to complete the task, Mr V’s partner needed to make deposits into a cryptocurrency wallet first.

The payments Mr V says he made in relation to this scam are as follows:

Payment Number	Date	Method	Beneficiary / Merchant	Amount
1	09/07/2023	Card Payment	Binance	£818.60
2	09/07/2023	Card Payment	Binance	£81.00
3	10/07/2023	Card Payment	Binance	£1,445.68
4	10/07/2023	Card Payment	Binance	£1,434.70
5	11/07/2023	Card Payment	Binance	£3,422.38
6	11/07/2023	Card Payment	Binance	£5,000.00

As noted above, all the payments were card payments to a known cryptocurrency platform. Mr V says BoS should have protected him from harm by making him aware he might have fallen victim to a scam. So, he says BoS should refund him the money he lost.

BoS considered Mr V’s complaint but felt that it hadn’t done anything wrong here. The payments were made to a known cryptocurrency provider and there is evidence Mr V had made cryptocurrency exchanges before. And it felt that Mr V hadn’t done proper due diligence into the payee before making these payments. It also considered that as these were all card payments the grounds for recourse would be chargebacks, and these would likely fail.

Our investigator considered this complaint and felt that it would be fair to have expected BoS to intervene in the series of payments made. But ultimately, he felt that this wouldn’t have made a difference for the reasons outlined in his outcome. Mr V didn’t agree, so the complaint has been passed to me for a final 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.

Mr V and his representatives have raised a number of points and although I may not mention every point raised, I've considered everything they have said but limited my findings to the areas which impact on the outcome of the case. No discourtesy is intended by this it just reflects the informal nature of our service.

It isn't in dispute here that Mr V has fallen victim of a scam, nor that he authorised the payments made to the cryptocurrency platform (where his funds were subsequently transferred on to the scammers). The payments were requested by him using his legitimate security credentials provided by BoS, and the starting position is that banks ought to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

However, even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms/banks— such as BoS – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

Should BoS have recognised that Mr V was at risk of financial harm from fraud?

BoS says it didn't intervene in the series of payments because there is evidence Mr V had purchased cryptocurrency in the past, and the value of payments made were not significant enough to raise any concerns.

I have considered this alongside the evidence provided by Mr V. The payments started off relatively low, however, by payment 4 Mr V had paid almost £4,000 in just two days. And this was to a platform to purchase cryptocurrency, which is known to carry greater risks of scams. The values of the payments are also significantly out of character for this account. So, I think it would be fair to conclude that BoS should've intervened at payment 4. At this point, given the payments were being made to a cryptocurrency provider, I would've expected BoS to provide a tailored written warning to make Mr V aware of the potential of a scam.

However, I don't think this intervention would've made a difference, and I'll explain why. At this time a tailored written warning would've highlighted the dangers of cryptocurrency investments scams. Mr V wasn't involved in cryptocurrency investments and from what he understood, he was purchasing cryptocurrency to fund online transactions as part of the job his partner was involved in. So, I don't think this warning would've made him stop and recognise this as a job scam as there is unlikely to have been any information about this type of scam in the written warning at the time.

Should BoS have exercised further interventions in relation to Mr V's other payments?

The investigator considered this complaint and felt that payment 4 would've been the most reasonable time for BoS to intervene, but even if it had intervened again or later, this still wouldn't have made a difference. This is because the payments were not significant enough to warrant a human intervention or anything further. And any further written warning wasn't likely to have caused Mr V any concern, as again it would've highlighted the risks of investment scams, but not necessarily a job scam.

I agree with this and think that BoS should've intervened at payment 6 as the payments were slowly increasing in value, with payment 6 being significantly higher in value and out of

character for the account. Even though the payee would've become known to the account by this point, and less likely to seem suspicious, it would be reasonable to expect BoS to have provided another tailored warning at payment 6. But, for the same reasons I don't think this would've made a difference at payment 4, I also don't think it would've made a difference at payment 6.

Recovery of funds

As outlined by BoS and the investigator, the appropriate action of recovery for card payments such as those in dispute would be chargebacks. However, the relevant grounds for a chargeback here would be for goods or services not received. As Mr V made the card payments to purchase cryptocurrency, the service is deemed to have been received at the point to the funds were exchanged. Therefore, I can't say there is anything further BoS is required to do here.

Overall

So, overall, I don't think BoS should be held liable for Mr V's loss here. I say this because even though I think it could've done more to try to protect Mr V from financial harm, I don't think the appropriate intervention would have made a difference to Mr V's decision to make the payments in dispute. So, I think it is fair to hold Mr V liable for the loss he sustained as a result of this scam.

My final decision

For all the reasons outlined above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 10 September 2025.

Sienna Mahboobani
Ombudsman