

The complaint

Mr F says Bank of Scotland PLC (BoS) should've protected him from financial harm after he fell victim to a scam.

What happened

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

In short, Mr F says he saw a company offering opportunities to make money through arbitrage trading of cryptocurrency. For ease, I will call the company "K". He found this opportunity on a platform called "Telegraph". Through this platform he contacted K who provided videos and literature on the type of trading it carried out, which Mr F felt was genuine and a good opportunity. Mr F was sent a link for K's trading portal and began investing money. He made some returns, so he invested more. But he realised he was being scammed when he tried to make a withdrawal and was pressured into paying more money to K.

The payments and credits made in relation to this scam are as follows:

Payment Number	Date	Method	Beneficiary	Amount
1	11/12/2023	Faster Payment	Coinbase	£3,000.00
2	02/02/2024	Faster Payment	Coinbase	£500.00
3	05/01/2024	Faster Payment	Coinbase	£100.00
4	05/01/2024	Faster Payment	Coinbase	£1,000.00
	05/01/2024	CREDIT	Coinbase	£1,124.86
5	05/01/2024	Faster Payment	Coinbase	£5,000.00
	05/01/2024	CREDIT	Coinbase	£5,108.29
6	05/01/2024	Faster Payment	Coinbase	£5,000.00
7	05/01/2024	Faster Payment	Coinbase	£10.00
8	05/01/2024	Faster Payment	Coinbase	£1,500.00
9	05/01/2024	Faster Payment	Coinbase	£1,292.06
10	08/01/2024	Faster Payment	Coinbase	£900.00
11	08/01/2024	Faster Payment	Coinbase	£2,500.00

	08/01/2024	CREDIT	Coinbase	£843.41
12	19/01/2024	Card Payment	Coinbase	£19.99

*The investigator had stated the first payment was a card payment, but the evidence shows it was a faster payment via open banking. However, this doesn't make a difference to the outcome of the complaint.

BoS says the transactions Mr F made towards this scam didn't flag any concerns as he had a history of paying money into Coinbase and had incoming credits from Coinbase as well. It also says the first payment Mr F made he attempted by card, but this was blocked by BoS, however this didn't cause Mr F any concern or prompt him to contact the bank. So, it says Mr F wouldn't have had any concerns even if it had provided a scam warning.

Our investigator considered this complaint and felt that although BoS should've intervened in the series of payments, he didn't think this would've made a difference to his decision to make the payments in question. Mr F disagreed with this outcome, so this complaint has been passed to me for a 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.

It is not in dispute that Mr F authorised the payment transactions in this matter. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because 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 F was at risk of financial harm from fraud?

BoS says it didn't intervene in the series of payments because there is evidence Mr M had purchased cryptocurrency in the past, and he had received incoming credits from Coinbase, so there was no cause for concern.

Having looked closely at the series of payments I think BoS should've had cause for concern and should've intervened at Payment 1. I say this because, although this is the first payment in the series, the payment amount is significantly out of character for Mr F's usual account activity. Mr F's account activity for the six months prior to the first payment is largely small amounts for what seems to be daily expenditure and direct debits. The only other significant outgoing payment (£4,984.05) is a faster payment to another bank account in his name. Banks generally are aware cryptocurrency scams are on the rise, and considering Mr F had also not sent money to his Coinbase account in a while, I think it is fair to say BoS should've intervened when Mr F was making the first payment in the amount of £3,000.

My view is that a proportionate intervention to the risk identified would have been for BoS to have provided Mr F with a better automated scam warning tailored to the likely cryptocurrency related scam Mr F was at risk from. For example, BoS should have done this by asking Mr F a series of automated questions designed to narrow down the type of cryptocurrency related scam risk associated with the payment transaction he was making.

However, having thought about everything Mr F has told us, I don't think this warning would've made a difference. This is because Mr F's testimony is that he had been provided with a link showing the company was a registered company with no warnings or concerns listed about it. He also says he was provided with detailed terms and conditions and the form and layout of the information provided was convincing. By Mr F's own admission, at the point he decided to first invest, he considered the returns predicted to be reasonable and felt the company was a genuine and safe company. So even, if BoS had provided a written scam warning at Payment 1, I think he would've still made the payment. This is strengthened by the fact that when his first attempt at making a card payment was declined, he contacted Coinbase and found a way to still make the payment. So, it seems he was keen to start investing and didn't heed to consider why the payment was blocked.

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

Our investigator felt that BoS should've intervened again with a human intervention at payment 6. I think this outcome is reasonable, although I think it can also be argued that BoS should've initiated a human intervention at payment 5. Either way, I don't think this makes a difference to the outcome or a material difference to the reasons why the complaint isn't upheld because in either case, I don't think such intervention would've made a difference. And I'll explain why.

At payment 5 Mr F had already made two payments to Coinbase earlier in the day. So, this was the third payment in a short time, and for £5,000 – which was a significant amount in relation to his general spending. However, Mr F had also received an incoming credit into his account just before this payment, which is not typical of fraud. So, I also think it is reasonable that BoS didn't think it suspicious that Mr F decided to invest another £5,000 that day, and so should've intervened later, at payment 6. At payment 6 Mr F was making a total payment of £11,100 in one day to a cryptocurrency provider. And with Mr F's account being in overdraft, meaning he had to transfer funds into the account to continue to make more payments to Coinbase, I think BoS should've initiated a human intervention.

So, I must consider whether BoS's failure to intervene a second time caused Mr F any losses. To do this, I need to reflect on whether such an intervention (described above) would have likely made any difference. From Mr F submissions he sets out several reasons as to why he felt this situation was real and believable. He says he found the returns predicted to be reasonable and the literature and the investment portal genuine. Prior to making payment 6, he had already received some returns on his investment. So, I think this would've only added to his belief that the investment he was making was a good one. And I think even if BoS had warned him about cryptocurrency scams, he had been able to withdraw some of his money, so he wouldn't have thought it was a scam at this point. To my mind, several of these points support the proposition that the intervention would've likely failed.

Whether BoS intervened at payment 5 or 6 and had spoken to Mr F, I still think Mr F would've decided to invest. Mr F only became suspicious of the company later when he tried to withdraw more money from his investment account and wasn't able to. But up until then, I think Mr F believed he was making smart investments with a genuine company.

Recovery

Having fallen victim to this cruel scam I have considered whether BoS could've done anything to recover the money Mr F lost. However, Mr F was moving money from his BoS account to his Coinbase account in his own name. And from there the funds were transferred into an unknown wallet address. As such, BoS wouldn't have had any recourse to try and claim the money back or trace its destination. And in relation to the card payment,

as this was used to top-up Mr F's Coinbase account the goods and services paid for were delivered at the point the funds hit his Coinbase account, so no chargeback would succeed.

Vulnerability

Mr F has said he was vulnerable at the time the payments were made, and this has not been taken into account. However, there is no evidence that BoS were aware of any of Mr F's vulnerabilities at the time so I couldn't have expected it to handle Mr F's situation any differently.

Overall

Having considered everything provided, I do think BoS could've done more in the circumstances, but I don't think this would've made a difference to Mr F for all the reasons outlined above.

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 to accept or reject my decision before 27 October 2025.

Sienna Mahboobani
Ombudsman