

The complaint

Mr F complains that The Co-operative Bank Plc won't refund the full amount of money he lost to a scam.

What happened

Our investigator didn't uphold the complaint. He didn't think any of the payments looked suspicious such that The Co-operative Bank ought to have made additional checks before processing them.

Mr F's representative has asked for the matter to be referred to a decision. In summary, it said the payments were to a crypto provider and so ought to have been treated as high-risk payments.

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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I've thought carefully about whether The Co-operative Bank treated Mr F fairly and reasonably in its dealings with him, both when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr F's complaint. I know this will come as a disappointment to Mr F and so I want to explain why I've reached the decision I have.

I have kept in mind that Mr F made the payments himself, and the starting position is that The Co-operative Bank should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr F did not intend for his money to ultimately go to fraudsters – but he did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant law and regulations; regulators' rules, guidance, and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time – The Co-operative Bank should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

I have reviewed Mr F's account and the payments he made to the scam. Having considered when they were made, their value and who they were made to, I'm not persuaded The Co-operative Bank ought to have found any of the payments suspicious, such that it ought to have made enquires of Mr F before processing them.

I accept some of the payments were to a crypto provider, but that doesn't mean payments should automatically be treated as suspicious, particularly when there are no other concerning factors about the payments. The payments in question were relatively spread out, to merchants Mr F had paid before, and didn't reach an amount over any period of time that I think ought to have concerned The Co-operative Bank.

Recovery

As Mr F sent the payments to accounts in his name, then on to the scammer, no recovery would be possible. This would also mean the Contingent Reimbursement Model (CRM) scheme wouldn't be a consideration.

Whilst Mr F has undoubtedly been the victim of a cruel scam, I don't find there were any failings on The Co-operative Bank's part that would lead me to uphold this complaint.

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 Mr F to accept or reject my decision before 6 October 2025.

Tom Wagstaff
Ombudsman