

The complaint

Ms T complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY trading as Ulster Bank won't refund the money she lost when she fell victim to a scam.

What happened

In October 2024 Ms T received a text, seemingly from a well-known courier company, asking her to rearrange delivery of a parcel. As she was expecting a delivery, she clicked the link and entered her card details – supposedly to pay a small re-delivery fee. Unfortunately, this text was part of a scam.

A few days later, Ms T received a call from someone claiming to be from Ulster Bank – but who was actually a scammer. They said her account had been compromised due to the text and she needed to move her funds to keep them safe.

The caller helped her set up an account with "R", another regulated firm who they claimed were a subsidiary of Ulster Bank, and persuaded her to move her funds over to the newly-created R account. She sent around £2,000 to R – split between a small card payment and three transfers, the highest for £950.

The scammer persuaded Ms T to activate a virtual card on her R account, telling her this was necessary as her Ulster Bank card had been blocked. They then told her she'd receive a follow-up security call. When this didn't happen, she checked her R account and saw the money had been spent.

Realising she had been scammed, Ms T reported this to Ulster Bank (and R, who our service is considering a separate complaint about). When Ulster Bank didn't agree to refund her, she referred the matter on to our service.

Our investigator didn't uphold the complaint. They didn't think Ulster Bank had cause to be suspicious about the payments at the time, noting it gave a warning based on the payment purpose selected. They concluded it was reasonable for Ulster Bank to have processed the payments – and so didn't think it needed to refund Ms T or otherwise compensate her.

Ms T has appealed the investigator's outcome. In summary, she says the payments were uncharacteristic for her and looked suspicious. And the warning shown wasn't impactful enough to have uncovered the scam – whereas direct, specific intervention would have.

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 decided not to uphold it. I'll explain why.

It's agreed Ms T authorised these payments. That means the starting position is that she's liable for them. In line with the Payment Services Regulations 2017, firms are expected to process authorised payment instructions without undue delay.

However, there are some situations where I would reasonably expect a firm to make further enquiries about a payment before deciding whether to process it – such as in circumstances where there are grounds to suspect it presented a fraud risk. If a firm failed to respond proportionately to such a risk, and doing so would have prevented the consumer from incurring a fraudulent loss, it may be fair to hold it liable.

I know Ms T feels strongly that Ulster Bank should have realised she was at risk – and therefore should have completed further checks, beyond showing her a written warning, before processing the payments. Having carefully considered her arguments, I'm not persuaded the risk was so clear that it was remiss of Ulster Bank not to do more.

I appreciate Ms T mainly used her account for low-level spending – and so the series of payments in quick succession, to a new payee, didn't match her normal account use. However, there are some other factors which I think made the payments look less risky:

- The first payment, by card, was for a relatively small amount that looked similar to other undisputed spending;
- The transfers were sent to an account in Ms T's name provided by a financially regulated UK firm. While I appreciate Ms T says R is commonly used by fraudsters, it does provide genuine services. And as Ms T is a customer of R, it has its own obligations to her. I think this would reasonably have made the payments look less risky to Ulster Bank, compared to them being sent to a third party;
- While I appreciate the amount sent was significant for Ms T, I don't think the overall amount sent was so high that Ulster Bank should have been concerned. Particularly as it left Ms T with a fairly substantial account balance;
- The payments were also made from Ms T's own device. I appreciate her point that this doesn't rule out that the payments were fraudulent – but it made that scenario appear less likely;
- Ulster Bank didn't speak to Ms T directly, but she was shown a warning based on the payment purpose she selected – which warned about being asked to make payments unexpectedly and said: ***"Your money is safe where it is"***. While I appreciate this warning didn't uncover the scam, in the circumstances of Ms T being put under pressure to act quickly to 'protect' her funds, I think it would reasonably be a factor mitigating the risk from Ulster Bank's perspective. It had issued a warning covering features of common scams associated with the payment purpose selected, and Ms T had opted to proceed.

In the circumstances I don't think the payments looked so unusual or concerning that Ulster Bank ought to have done more to protect Ms T. I therefore don't think it's at fault for failing to prevent the scam. And as the funds were sent on from Ms T's R account, it couldn't successfully recall the payments when the scam was reported.

I know Ms T has expressed concern about how Ulster Bank handled things when she reported the scam. I do agree there were instances where Ulster Bank's service could have been better. But I'm not persuaded the impact this had on Ms T warrants compensation.

In saying that, I'm conscious of how difficult and upsetting this situation has been for Ms T. For example, I'm aware she was left on hold and then cut off when reporting the scam – which will have exacerbated the stress of the situation. Ulster Bank has apologised for this.

Overall, I don't think Ulster Bank significantly delayed matters or otherwise handled things in a way that means it should pay compensation. It's ultimately the actions of the fraudsters, rather than Ulster Bank, who have caused most of Ms T's trouble and upset.

I appreciate this will be disappointing for Ms T. It's clear she has fallen victim to a cruel scam, and she has provided detailed insight into the circumstances which persuaded her the call was genuine. But my role is to determine whether Ulster Bank made any failings that contributed to her fraudulent losses. Having carefully considered Ulster Bank's responsibilities, I don't consider it fair to hold it at fault for what happened.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 15 July 2025.

Rachel Loughlin
Ombudsman