

The complaint

Mr D complains that The Royal Bank of Scotland Plc ('RBS') won't refund the money he lost to an investment scam.

He's represented in this complaint. To keep things simple, I'll refer to Mr D throughout this decision.

What happened

The background is known to both parties, so I won't repeat all the details. In summary, Mr D says he came across a crypto-investment on social media for a company (I'll call 'X'). They communicated on a messaging *app*. He later discovered he'd connected with a scammer.

He started with small payments at first but, believing X was offering a genuine opportunity, he went on to 'invest' much more as instructed. As part of the process, he was taken through ID verification, given access to X's professional-looking portal (where he could see 'deposits' and 'trades') and added to a group chat with other 'investors'. He was also able to make a small withdrawal initially – a known tactic used to make the scam more convincing.

He realised he'd been scammed when he was no longer able to withdraw his money and the scammer became unresponsive. By that time, over £23,000 had been sent from his RBS account to his account with another bank ('M') between June and September 2024. From there, funds were used to buy the cryptocurrency that was sent on and lost to the scam.

A complaint was made to RBS in December 2024 and then referred to our Service. Our Investigator considered it and didn't uphold it. In brief, she didn't think the disputed payments ought to have flagged as suspicious such that RBS was at fault for not stepping in.

Mr D disagreed. He said RBS should have intervened and spoken to him directly about the transfers, particularly the one on 7 August 2024. This payment was out of character and had been funded by a loan taken out a day earlier. He said if RBS had contacted him, the scam would have been unravelled and his losses prevented.

As the matter couldn't be resolved informally, it's 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.

Having done so, I've reached the same conclusions as the Investigator. These are the key reasons for my decision.

Authorisation

It's not in dispute Mr D was scammed. It's also not in dispute he authorised the payments from his RBS account. So, although he didn't intend the money to go to a scammer, under the Payment Services Regulations 2017, Mr D is presumed liable for his losses in the first

instance. And as the Supreme Court reiterated in *Philipp v Barclays Bank UK PLC*, banks generally have a contractual duty to make payments in compliance with the customer's instructions.

Prevention

There are some situations where I consider that a firm (like RBS) taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious. But I'm not persuaded there was enough about the disputed payments here for me to find that RBS should have stepped in on concerns that Mr D was at a heightened risk of financial harm.

I don't consider the first payments to Mr D's account with a legitimate crypto-exchange ought to have appeared as particularly concerning, given also their relatively low values. I'm also mindful that the other disputed payments were sent to Mr D's account with M – a regulated, established payee, he'd paid many times before and not for insignificant amounts. And while I accept the transfer in August 2024 was higher than previous payments, I'm not persuaded it represented such a significant change to the extent RBS should have intervened. It's not uncommon for higher than usual payments to take place at times and, like the Investigator, I'm not convinced the movement of funds (including that of the loan funds on drawdown) was so suspicious, considering also the previous activity, for RBS to have intervened.

I recognise Mr D was the victim of a cruel scam and I'm very sorry he went through that experience. I can understand why he wants to do all he can to recover his money. But I can only hold RBS responsible if it missed an opportunity to prevent what happened. For the reasons I've given, I don't think that it did. In terms of recovery, there was little it could have done given the funds were sent to Mr D's own accounts before they were lost to the scam.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 11 November 2025.

Thomas Cardia
Ombudsman