

The complaint

Ms F complains that Ulster Bank Ltd hasn't refunded payments she sent to an investment opportunity that turned out to be a scam.

What happened

Ms F found an investment opportunity on social media. She began investing in January 2021 and continued sending payments by both card and bank transfer to try and withdraw from the investment until December 2021. At this time, the scammer then messaged her saying the opportunity wasn't real and they'd been doing this to help out some other people.

Ms F complained to Ulster about the payments she made to the scam, but it didn't agree it did anything wrong, so it didn't refund her. She came to our Service, but our Investigator also didn't uphold her complaint. Ms F asked for an Ombudsman to reconsider her case.

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.

In broad terms, the starting position at law is that a business is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

However, in some situations, taking into account the law, regulations, guidance, standards, codes, and good industry practice, businesses such as Ulster shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Where the consumer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the consumer even though they authorised the payment.

Of particular relevance to the question of what is fair and reasonable in this case is the Lending Standards Board's CRM Code, which Ulster has signed up to. As Ms F made several faster payments as part of this scam, and Ulster accepts these are covered by the Code, I've considered if she is due any reimbursement under it.

While the CRM Code offers considerable additional protection to the victims of an APP scam, it doesn't mean that a customer will be reimbursed every time. The Code includes an exception to reimbursement where the customer made a payment without a reasonable basis for believing they were paying for genuine goods or services; dealing with a legitimate person or business; or paying the person they believed they were paying. This exception wouldn't apply if Ms F was vulnerable, under the Code. But, while I accept she has been through a very difficult time, I don't consider her situation and ill-health means she was unable to protect herself to the degree necessary for no exceptions to apply. Her testimony indicates she knew she should take some steps to protect herself and did do this.

Ulster has indicated that the reasonable basis for belief exception applies here. It says Ms F ought to have carried out more due diligence to check this was a genuine investment. So I've considered whether it would be fair for Ulster to rely on this exception here.

Ms F found the scam on social media. Due to the time passed she hasn't been able to recall who the company was, but she said she looked through the social media page and the posts made by the company and they looked legitimate. She has said she was promised high returns on a small investment.

I appreciate Ms F says she checked the social media page, but I can't say that this ought to have been enough to satisfy herself this was a genuine investment company. Ms F's own testimony also indicates that she thought the returns were likely to good to be true and she was given guarantees about these, despite genuine investments not operating this way.

Without the scam firm's name I'm unable to see what information was available through online searches for this company, if any. But I can see from the chat we hold with the scammer that around the time she was making the first faster payments the account she was using got blocked due to concerns. And that very early on she was told to lie about the payments by the scammer and was told she'd very quickly made entirely unrealistic returns (which she then couldn't access). So she should have even less basis for belief in the genuine nature of the later payments.

Overall, while I've carefully considered everything Ms F has said about why she went ahead with the investment and was persuaded it was genuine, on balance it is my finding that she made her payments without having a reasonable basis for belief in this opportunity. Due to this, Ulster is entitled to rely on the above exception to reimbursement under the terms of the CRM Code.

The CRM Code sets out standards that firms are also required to meet, but they apply when the firm should reasonably have identified an Authorised Push Payment (APP) scam risk. Looking at the value of the payments made, Ms F's account history and who they went to, I wouldn't have expected Ulster to have identified such a risk with any of the scam payments. So it wasn't required to provide Ms F with an 'Effective Warning' under the CRM Code. The payments are generally lower value and only a few happen close together. So Ulster hasn't failed in its standards by not providing this.

Overall, I'm satisfied that Ulster was entitled to consider there was no apparent APP scam risk here. So, I'm not persuaded that it needed to provide Ms F with an Effective Warning as per the Code. And I haven't identified any other reason why Ulster ought to have contacted Ms F about the faster payments before processing them. As an exception to reimbursement then also applies, as Ms F didn't have a reasonable basis for belief, Ulster doesn't need to reimburse Ms F any of the lost funds.

I've then considered whether Ulster ought to have had concerns about financial harm when Ms F was making the card payments to the scam. I accept Ms F made a lot of payments and was frequently sending the same value payment for nearly eleven months. But the payments weren't high value, were spaced out and were going to a genuine money transfer service. There wasn't an early point I think Ulster needed to intervene and then a payment pattern was created for the account for this amount and recipient, that meant this was normal for her account. So I don't consider an intervention was needed on the card payments.

Ulster has set out that it did attempt to recover Ms F's funds sent by faster payment, but only £450 remained. Considering the time passed between the scam and the payments, this is not surprising, and I'm satisfied Ulster did what it could to recover the funds. And I wouldn't have expected it to be able to recover the card payments, considering Ms F used a genuine

money transfer service to send these funds and it would've supplied the service requested of it.

My final decision

For the reasons set out above, I don't uphold Ms F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 9 July 2025.

Amy Osborne
Ombudsman