

## **The complaint**

Mr K complains that Danske Bank A/S didn't do enough to protect him from the financial harm caused by a purchase scam.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr K found an advertisement for a used car on social media. The seller sent several photos and videos of the car, and thinking it was a good price and in excellent condition, Mr K decided to purchase it.

Mr K was sent an invoice which included detailed information about the car, and on 17 March 2020 he transferred £7,000 to Company P on the understanding that it would deliver the car from the scammer's overseas address within three working days. Unfortunately, the car was never delivered.

Mr K complained to Danske when he realised he'd been scammed, but it refused to refund the payment. It said he'd authorised the transaction and the payment wasn't unusual. It confirmed it contacted the beneficiary bank on 23 March 2020, and £68.67 was recovered.

Mr K wasn't satisfied and so he complained to this service with the assistance of a representative who said that the next largest payment on the account was to an account in Mr K's own name, for half the amount, so the disputed payment was out of character. They said it should have intervened and had it done so, it would have uncovered the scam because Mr K found the car on social media, he didn't see the car in person, and the price was lower than other similar vehicles. They explained Mr K believed the purchase was genuine because he had an invoice and had researched the third-party before making the payment.

Responding to the complaint, Danske said the payment was reviewed by its fraud systems and released because it was to a registered company, it was processed from Mr K's own device and IP address, and it wasn't considered an unusual amount for the purchase of a car.

Our investigator thought the complaint should be upheld. He felt the payment was unusual because it was significantly larger than any payment Mr K had made in the past, and he was sending funds to a new payee. He noted that Danske had said Mr K was shown a generic warning when he made the payment, but he thought it should have asked him where he found the advert for the car, whether he'd seen it in person, whether he'd received any paperwork, whether the seller had offered to deliver the car, and whether the price was in line with market value.

He was satisfied that Mr K would have responded truthfully because he wasn't given a cover story, and he thought the circumstances were such that Danske would have suspected he was being scammed and blocked the payment. So, he thought it missed an opportunity to prevent the scam and that it should refund the payment.

However, he thought the settlement should be reduced by 50% for contributory negligence because Mr K didn't meet or speak to the seller on the phone, social media is known for scams, the car was undervalued, and there was no evidence he checked the vehicle registration number online to ensure the car actually existed and belonged to the seller.

Danske has asked for the complaint to be reviewed by an Ombudsman. It has argued that P was incorporated at the time of the payment, and while the payment was higher than Mr K's normal account activity, the amount wasn't unusual for the purchase of a car.

### **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 conclusion as our investigator. And for largely the same reasons.

I'm satisfied Mr K 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, Mr K is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Mr K didn't intend his money to go to scammers, he did authorise the disputed payments. Danske is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

I've considered the nature of the payment in the context of whether it was unusual or uncharacteristic of how Mr K normally ran his account, and I think it was. Danske has suggested that £7,000 isn't an unusual amount for the purchase of a car, but I consider that is irrelevant to the issue of whether it was unusual for Mr K's account. There was nothing suspicious about the payee in and of itself, but this was a new payee and, other than payments to an account in Mr K's own name for £6,000, and £4,000 on 11 November 2019, it was unusual for Mr K to make such large payments to new payees. So, Danske should have intervened.

I think a proportionate response would have been for Revolut to have asked Mr K why he was making the payment and as there's no evidence that he'd been coached to lie, I think he'd have explained that he was buying a car that he'd seen on social media. I would then expect Danske to have asked whether he'd met the seller and fully verified, and to have warned him that if the car was undervalued and the seller had offered to deliver the car, it was likely to be a scam.

I've considered whether this would have resonated with Mr K and as there were red flags present, I think he'd have done some further checks and realised he was being scammed. So, I agree with our investigator that Danske should refund the payment. However, Mr K failed to do reasonable due diligence before agreeing to send such a large amount of money to an unknown third party and while I accept he was reassured by the invoice and he believed he was sending the funds to genuine company, he ought to have been concerned that he'd never met or spoken to the seller and that the car was such good value. So, I agree with our investigator that the settlement should be reduced by 50% for contributory negligence.

### *Recovery*

I don't think there was a realistic prospect of a successful recovery because by the time Mr K reported the scam, the funds would have been removed from the recipient account.

### *Compensation*

The main cause for the upset was the scammer who persuaded Mr K to part with his funds. I haven't found any errors or delays to Danske's investigation, so I don't think he is entitled to any compensation.

### **My final decision**

My final decision is that Danske Bank A/S should:

- refund 50% of the payment, less the amount recovered.
- pay 8% simple interest\*, per year, from the respective dates of loss to the date of settlement.

\*If Danske Bank A/S deducts tax in relation to the interest element of this award it should provide Mr K with the appropriate tax deduction certificate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 28 October 2025.

Carolyn Bonnell  
**Ombudsman**