

## **The complaint**

Mr H complains that CB Payments Ltd (CB) won't refund money he lost as a result of a scam.

## **What happened**

Commencing around December 2022, Mr H fell victim to an investment scam from a company that I will call 'Q'. Mr H says Q sold him an investment opportunity and he was persuaded to transfer money to CB and then purchase crypto via Coinbase. That crypto was sent onto the scammer and Mr H says he lost approximately £250,000 as a result.

Mr H complained that CB failed to recognise that he was falling victim to a scam and also failed to intervene and appropriately warn him. He feels Coinbase could have prevented his loss and asked for it to return his money.

Mr H referred his complaint to this service.

CB highlighted Mr H's complaint does not relate to the issuance of e-money or the provision of any payment service provided by it, as an e-money business. Rather, the complaint relates to digital asset services, over which this service has no jurisdiction. It said the service complained about – specifically the sending of cryptocurrency is a service provided by Coinbase Europe which is unregulated.

One of our Investigators felt we could consider some of what Mr H had complained about. She didn't think CB could have known that he was falling victim to a scam as the transactions were in keeping with how an account of this nature would normally be operated and that in any event, given that Mr H was warned by his current account provider on a number of occasions about scams and Mr H carried on with the transactions, the investigator did not think that CB could have uncovered or prevented the scam.

Mr H disagreed and asked for an Ombudsman to consider the complaint. He also raised a number of questions that he would like the answer to.

The case has therefore been passed to me for determination.

I should say that this decision solely relates to whether CB should refund the money that Mr H lost as part of the scam. Mr H has mentioned that he is locked out of his CB account if he remains unsatisfied with this he would have to direct these concerns to CB in the first instance.

## **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.

Firstly, I should say that I'm aware I've summarised the events of this complaint in less detail than the parties have stated, and that I've done so using my own words. The reason for this is that I've focussed on what I think are the key issues here, which our rules allow me to do.

This approach simply reflects the informal nature of our service as a free alternative to the courts. And I'm satisfied I don't need to comment on every individual argument or question to be able to reach what I think is the right outcome in this case. So, if there's something I've not mentioned, it isn't because I've ignored it, and I must stress that I've considered everything both Mr H and CB have said, before reaching my decision.

I should also highlight that I can only consider some aspects of this complaint. But I think there are several points Mr H has raised over the course of his complaint that our service doesn't have the power to consider.

We've previously made CB aware of our jurisdiction to consider complaints like Mr H's and I've noted our Investigator explained this, so I don't intend to repeat in great detail here why our service can consider some of the complaint points that have been raised. But to summarise, because Mr H deposited fiat currency into his CB wallet and purchased crypto, he was provided with electronic money services by CB, and I'm satisfied Mr H's complaint relates, at least in part, to those services, and therefore it is the case that we can consider this aspect of Mr H's complaint.

However, when Mr H purchased crypto, it was added to his digital wallet held with Coinbase Europe. Coinbase Europe isn't a regulated entity and our service can't consider a complaint related to it, or any of the other crypto activity or transactions carried out from Mr H's wallet. Indeed, one of the key tenets of most, if not all, cryptocurrencies is that they are decentralised and unregulated (at least as things currently stand).

This means I will not be able to consider Mr H's concerns about blocking a crypto payment for further checks

I've therefore thought about the aspects of Mr H's complaint that I can consider. The starting point for my considerations is that Mr H is generally solely responsible for payments he made himself. And it doesn't appear to be disputed that at the time the payments were made, he believed he was involved in a genuine investment opportunity. Mr H also made all the payments to his CB account from his own bank account, using fiat currency. And he could see a corresponding amount on the fake trading platform provided by Q, once he'd converted the fiat currency into cryptocurrency. Mr H also had access to his CB account as he opened this himself.

As Mr H authorised the payments, he's presumed liable for the loss in the first instance. But that isn't the end of things. I agree with Mr H that CB should monitor its customer's accounts for activity that might suggest a customer was at risk of financial harm. This should include monitoring account activity for transactions that are unusual or out of character. In some circumstances, it should take additional steps, or carry out 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.

In this case I can see that Mr H's CB Payments account had not been regularly used prior to the scam. That meant there wasn't much genuine account activity to compare the activity against and CB wouldn't be able to understand what typical account activity for Mr H was.

I've noted between December 2022 to June 2023, Mr H funded his account with over £250,000 in around 15 separate payments. He then purchased crypto with that money and then sent this on. The largest individual transaction was for over £40,000 but I have to take into account that the activity of depositing funds into a CB account and purchasing crypto is (along with withdrawing funds back to a bank account) essentially the only activity which a CB account can be used for. So that activity carried out by Mr H isn't likely to have stood out as being unusual. It's also the case that the purchase of crypto using a CB account is, in effect, a transfer of funds between two accounts under the customer's control.

So, taking all of that into account, I can't agree that the frequency and amounts of the transactions (including the larger payment I mentioned) meant that CB ought to have been concerned that Mr H was at risk of financial harm from fraud.

That said even if CB payments had intervened and asked questions about the scam - although I don't think it needed to - I am not persuaded that this would have stopped or uncovered the scam. I say this because the current account provider did intervene and ask questions about the payments on a number of occasions. During these calls Mr H made it clear that he had done his own research; that the investment was genuine; and he was intent on the payments being carried out as requested. He was provided with warnings from this provider about the dangers of crypto investment scams as well and despite that he continued to make the payments and then went on to purchase the cryptocurrencies. I should also highlight that Mr H was so convinced that what he was doing was legitimate, that he raised a complaint about his current account provider stopping the payments and asking questions. So I think that even if CB had intervened, than Mr H would have likely carried on sending funds to the scammer.

I'm also satisfied that Mr H's funds could not be recovered as it is accepted they were sent off the Coinbase platform, in crypto, to a third party.

### **My final decision**

Despite my natural sympathies for Mr H's loss, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 August 2025.

Charlie Newton  
**Ombudsman**