

The complaint

Mr S complains that Clydesdale Bank Plc trading as Virgin Money won't refund to him money he lost to a scam.

What happened

In 2024 Mr S was contacted on an instant messenger platform and invited to join a group of investors. He believed this to be a genuine cryptocurrency investment opportunity and a chance to make some money to support his family. But very sadly it turned out to be a scam.

Using the debit card issued on his business account with Virgin Money, Mr S sent nine payments totalling £865.52 to his cryptocurrency account. He did this over a period of twelve days with the highest single payment being £406.86.

Mr S then followed the scammer's instructions to send his funds to the scam investment company account. Mr S realised he'd fallen victim to a scam when the scammer asked him to pay an additional 1,900 dollars to withdraw his profits.

Mr S complained to Virgin Money that it had not intervened to warn him he might be falling victim to a scam. He said that it would not allow payments to cryptocurrency from a personal account but had allowed the payments from his newly opened business account without questioning them.

Virgin Money didn't uphold his complaint. It said Mr S had authorised the payments which had successfully been credited to his cryptocurrency account, so it couldn't help him get his money back. It said it had not restricted cryptocurrency payments for its business account customers.

Mr S complained to this Service. He said that Virgin Money should have completed checks on his payments which were out of character for his new business account.

Our Investigator didn't uphold the complaint. She didn't think the amount and pattern of Mr S's payments were such that Virgin Money should have intervened. She didn't consider Virgin Money could reasonably have recovered his money.

Mr S asked for an Ombudsman's decision. In summary, he said:

- He'd been depressed and suffered sleep anxiety when the scam occurred. Being the victim of a scam has had an impact on his mental health as well as on his finances.
- He referred to advice he'd received from two separate firms of solicitors he'd consulted who suggested Virgin Money should refund him as this had been an Authorised Push Payment (APP) fraud, and the bank was best placed to recognise possible scams and intervene.
- He referred to other decisions issued by this Service where we'd found that the banks should have intervened in a pattern of suspicious transactions to cryptocurrency providers "*in exactly the same circumstances*" as his.
- Virgin Money should have intervened at least after the second or third payment given

he was sending money to a cryptocurrency platform, which made the payments at a higher risk of scams and fraud. The payments were out of character, having been made from a new account.

Our Investigator explained why Mr S's further comments didn't change her view. As an agreement couldn't be reached the complaint's been referred to me for a decision.

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.

I've been very sorry to read about the cruel scam to which Mr S fell victim. It's clear it's had a significant impact on him. So I am sorry to disappoint him further but I find I agree with our Investigator's conclusions. I'll explain my reasons focusing on the points that are central to my decision.

Given Mr S's comment about APP scams, I should say that as Mr S made his payments by debit card they don't fall under the definition of an APP scam, because they are 'pull' payments – they are 'pulled' from the payer's account by the merchant rather than being 'pushed' by the payer (a faster payment transfer is an example of a push payment). But we can still consider complaints about scams involving authorised card payments, and we look at them in a similar way to complaints about APP scams.

Mr S doesn't dispute that he authorised the payments he made to his cryptocurrency account before he moved his money to the scammer. The starting point is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Virgin Money ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

There's a balance banks need to strike between identifying payments that could potentially be fraudulent and allowing customers ready access to their funds. Not all crypto-related payments are made as a result of a fraud or scam.

So the key question here is whether the payments were sufficiently unusual or suspicious for Mr S's account such that intervention by Virgin Money ought reasonably to have been warranted.

I've carefully considered all the points that Mr S has made. But I don't think Virgin Money ought reasonably to have intervened.

I have reviewed Mr S's account. Having taken into account when the payments were made, their value and who they were made to, I'm not persuaded Virgin Money should have found any of the payments suspicious, such that it ought to have made enquiries of Mr S before processing them.

At the time of the scam, Mr S hadn't made payments from his business account, having recently opened it, and he'd deposited some cheques from his customers. So Virgin Money didn't have a pattern of transactions to refer to. I appreciate Mr S has made the point that the payments were being paid to cryptocurrency and that Virgin Money allowed these to be made only from its business accounts (and not personal accounts). But as I've said

payments to cryptocurrency providers should not automatically have been treated as suspicious.

The payments were made over a period of twelve days, the amounts were relatively low and fluctuated; that is, the payments didn't increase rapidly over a short period of time. While I've noted Mr S's point about his being a new account, I don't consider any single payment, or series of payments should reasonably have led to Virgin Money intervening.

I've read the case study on our website and the final decisions issued by my Ombudsman colleagues to which Mr S has referred. As our Investigator has explained, we consider each complaint on its own individual facts and merits, which is what I've done here.

But in any event, I don't consider the other decisions assist Mr S in his complaint or that the circumstances were "*exactly the same*" as his, as he suggests. The other decisions involved transactions of much higher amounts whereas the highest payment Mr S made was for £406.86. Although Mr S made more than one payment on a single day I don't consider the overall pattern of payments indicated that he was at a heightened risk of financial harm from fraud.

In reaching my findings, I've taken into account that Mr S made his payments at a time he was living with depression and sleep anxiety, which he said didn't help the whole situation. I am sorry to hear about this and I don't underestimate the impact of the scam on Mr S. But I don't consider Virgin Money missed any signs of the scam or that it ought reasonably to have intervened.

Finally, I don't think Virgin Money could have recovered any of the money Mr S paid to the scammer from his cryptocurrency account. I say this because Mr S authorised the payments made to his cryptocurrency wallet to successfully buy cryptocurrency and so any 'chargeback' process would not have succeeded.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 October 2025.

Amanda Maycock
Ombudsman