

The complaint

Ms M complains that Bank of Ireland (UK) Plc (BoI) has not refunded money that she lost to a scam.

What happened

Ms M saw an advert online for an investment opportunity which appeared to be endorsed by a well-known financial journalist. She left her details and was contacted by someone who helped her through setting up her trading account and making payments to the investment. Ms M believed she was making good profits, but when she tried to withdraw them, she was asked to make various payments to facilitate that withdrawal. Unfortunately, and unknown to Ms M, the investment was not legitimate, she was dealing with a scammer.

The payments Ms M made to the scam are detailed below, she made payments from BoI to an account she held with an Electronic Money Institution, which I'll call R. From R funds were then sent to a third-party payment processor from where the funds were then sent to cryptocurrency wallets. Ms M made the following payments from her account with BoI.

Payment	Date	Amount	Payee
Payment 1	13/06/2023	£1,000	Payment to R
Failed payment	15/06/2023	£2,000	This payment was reverted by R
Payment 2	19/06/2023	£2,000	Payment to R
Payment 3	19/06/2023	£3,000	Payment to R
Payment 4	20/06/2023	£4,200	Payment to R
Payment 5	20/06/2023	£5,200	Payment to R
Payment out	22/06/2023	£8,895	Payment to R
Credit	22/06/2023	£8,800	Transfer back from Ms M's account at R

Ms M spoke to BoI on 21 June and expressed concerns about the payments she was making, BoI told her to contact R. On 22 June Ms M spoke to BoI again and after she explained what the payments were for BoI advised that she was definitely being scammed, so she transferred most of the final payment back to her account at BoI and did not pass it on to the scammer.

Ms M asked BoI to consider refunding her loss, but it declined to refund any of the disputed payments. BoI said that the payments were not out of character for the account, and that Ms M had gone ahead with payments even when she had suspicions about what she was being asked to do. It also noted that Ms M's loss was ultimately from her account at R, and so it did not consider it was fair for it to be held liable for that loss.

Unhappy with this, Ms M referred her complaint to our service. Ultimately, our investigator thought Bol could have intervened more directly at the time of the third successful payment, and questioned Ms M about what the payments were for. They felt it was likely such questioning would have brought the scam to light and so would have prevented Ms M from making any further payments to the scam. So, they recommended that Bol refund Ms M's loss from that point onwards, but with a 50% deduction in that redress as they also felt Ms M should bear some responsibility for her loss.

Bol disagreed, it felt that R should also bear some responsibility for Ms M's loss as it felt R should have intervened in the payments Ms M was making and would have been able to stop the scam if it had done so – as Bol was able to do when it spoke to Ms M.

As an agreement couldn't be reached, this complaint and Ms M's complaint against R were passed to me for review. I issued my provisional decision on this complaint on 6 March 2025, explaining why I felt that Bol, R and Ms M should share responsibility for the loss here.

Both Bol and Ms M have accepted my provisional findings.

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 my provisional decision I explained the following:

"I'm satisfied Ms M authorised the payments that are in dispute, so as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Ms M is responsible for them. That remains the case even though Ms M was the unfortunate victim of a scam.

But I am satisfied that, overall, taking into account the law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Bol should fairly and reasonably:

- *Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.*
- *Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.*
- *In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*
- *Have been mindful of – amongst other things – common scam scenarios, the evolving fraud landscape (including, for example, the use of multi-stage fraud by scammers) and the different risks these can present to customers, when deciding whether to intervene.*

Taking the above into consideration, I need to decide whether Bol acted fairly and reasonably in its dealings with Ms M, or whether it should have done more than it did.

I can see that it was not entirely unusual for Ms M to make parge payments out of her account at the time of the scam payments, in fact she had made a considerably larger payment for £10,000 a couple of weeks earlier, to an account in her own name held with another high street bank. So, I don't think the first few payments Ms M made to R would have given Bol any particular cause for concern. It contacted her about payments 3 and 4 to ensure it had been her who made the payments, and I think that was appropriate intervention in the circumstances.

However, by the time of Payment 5 – and bearing in mind that by the time these payments were made Bol would have been well aware of how common multi-stage scams had become, and of the use of EMI's in such scams – I think further intervention was warranted. This was the fifth relatively large payment, with the amounts being sent steadily increasing (a common sign of scam payments) and was the second large payment sent within two hours, making a total of almost £10,000 sent in one day to a relatively new payee that was an EMI account.

I consider that, given all these factors, it would have been appropriate at this stage for Bol to make contact with Ms M to establish the circumstances surrounding this payment. I can see that when Bol did speak to Ms M later on in the scam, during phone calls on 21 and 22 June 2023, that Ms M was honest with Bol about what she was making payments for, and that as a result Ms M was ultimately prevented from making any further payment to the scam (she had transferred funds to her account at R but did not move them on to the scammer). So, I think it is reasonable to conclude that an appropriate discussion at the time of Payment 5 would have had the same effect, and prevented Ms M from sending those funds to the scammer.

So, with this in mind, I think Bol did miss an opportunity to prevent Ms M's loss from Payment 5, and so I think it is reasonable to hold it partially liable for that loss.

Bol has argued that Ms M's money wasn't lost as a result of it leaving her account with Bol. Instead, it says the money was lost only when moved on from her account at R. Whilst that might be the case, the loss was still reasonably foreseeable to Bol. Bol ought to be aware of multi-stage fraud, and the link of causation is still present, meaning the use of the account at R doesn't lead to Bol bearing no responsibility. As the loss should have been prevented, it's fair and reasonable Bol compensate Ms M for it.

I have though also considered Ms M's complaint against R, and have found that R should share responsibility for that loss. In addition, I've considered whether Ms M should also share some responsibility here, and I think she should.

I say this because, while I appreciate that Ms M says she did do checks to ensure the investment was legitimate, and that she felt the investment firms' website appeared professional, it is clear from her conversation with the scammer that she had serious concerns about what she was being asked to do, but she nonetheless went ahead with the payments. I also note that Ms M appeared to have earned very significant returns on her initial small investment- which could reasonably have been considered as too good to be true - and that she appears to have agreed to go ahead with the investment on the basis of a phone call and an exchange of messages, without any formal paperwork or other confirmation of what she was investing in.

So, having thought carefully about this, I do think that Ms M ought to bear some responsibility for her losses and that the refund due to her should be reduced accordingly. Given that I have found on Ms M's complaint against R that R should share responsibility for her loss, I currently intend to find that Bol should:

- *Refund 33% of Ms M's loss from Payment 5*
- *Pay 8% simple interest per annum on the refunded amount, calculated from the date of each payment to the date of settlement (less any tax properly deductible)."*

As both Bol and Ms M have accepted my provisional decision, I see no reason to depart from the findings set out above.

Putting things right

To resolve this complaint Bol should now:

- Refund 33% of Ms M's loss from Payment 5
- Pay 8% simple interest per annum on the refunded amount, calculated from the date of each payment to the date of settlement (less any tax properly deductible).

My final decision

I uphold this complaint in part. Bank of Ireland (UK) Plc should now put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 21 April 2025.

Sophie Mitchell
Ombudsman