

The complaint

Mr A complains that Bank of Scotland plc (BoS) is refusing to refund him the amount he lost as the result of a scam.

Mr A is being represented by a third party. To keep things simple, I will refer to Mr A throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr A received a call that appeared to be from BoS's fraud department, whilst on the call Mr A realised, he had also received a message and email from what also appeared to be BoS's fraud department. The caller later turned out to be a scammer that I will refer to as "X"

X asked if Mr A had authorised two payments on his account as they had flagged as suspicious. Mr A confirmed he had not made the payments and was advised the payments would be blocked and the matter would be referred to the Financial Conduct Authority (FCA). Mr A was asked to provide a password so that the FCA could contact him later and authenticate themselves.

Mr A then received a call from what appeared to be an individual from the FCA that I will call "Y". Y was aware of the password Mr A had set and used it on all calls.

Y gained Mr A's trust speaking regularly about their personal lives and exchanging personal stories. Y then asked Mr A to perform a virus check on his device before asking him to move investment funds to his BoS account.

Y then advised Mr A to open a new online account with another provider so that he could deposit his funds safely. Y helped Mr A with this process using screensharing software.

Mr A was then instructed to move funds through various accounts to the newly setup account and then on from that account where the funds were lost to the scam.

Mr A was advised that the final account he was sending the funds to (that was not in his name) was controlled by the FCA. Y stayed in touch with Mr A and requested further payments which Mr A agreed to make.

Mr A had concerns about the payments he had made and continued communicating with Y who gave various reasons for the delays in returning his funds. Mr A then contacted the FCA directly and it became clear he had fallen victim to a scam.

Mr A made the following payments from his BoS account:

Payment	Date	Payee	Payment Method	Amount
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1	22 January 2024	Mr A	Transfer	£100
2	30 January 2024	Mr A	Transfer	£250,000
3	5 February 2024	Mr A	Transfer	£225,000
4	14 February 2024	Mr A	Transfer	£120,000
	16 April 2024		Credit	£750cr

BoS considered Mr A's complaint and agreed to reimburse 50% of the payments Mr A made from payment 2 onwards. Plus, an amount in relation to interest and compensation.

Our Investigator went on to consider Mr A's complaint and thought BoS had done enough, so didn't ask BoS to do anything more. Mr A disagreed, so this complaint has been passed to me to decide.

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.

It has not been disputed that Mr A has fallen victim to a cruel scam. The evidence provided by both Mr A and BoS sets out what happened. What is in dispute is whether BoS should refund the money Mr A lost due to the scam.

Recovering the payments Mr A made

Mr A made the disputed payments in relation to the scam via transfer. But the payments Mr A made from his BoS account went into another account in his name. So, if any funds remained in that account they would remain within Mr A's control. Mr A has also confirmed that the funds were moved on from his other account to the scammer.

With the above in mind I don't think BoS had any reasonable options available to it to seek recovery of the payments Mr A has disputed.

Should BoS have reasonably prevented the payments Mr A made?

It has been accepted that Mr A authorised the payments that were made from his account with BoS, albeit on Y's instruction. So, the starting point here is that Mr A is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether BoS should have been aware of the scam and intervened when Mr A made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

BoS has explained that it did intervene when Mr A attempted payment 1, and although it was only a small value payment it was discussed with Mr A. BoS says Mr A was not honest when the payment was discussed with him and told BoS that he had held the online account for two years and no one had asked him to move his funds.

Despite Mr A giving incorrect information during the call BoS accepted it should have done more when Mr A made the larger payments. But that Mr A should also share responsibility for his loss.

The payments Mr A made from his BoS account were made to another account in his own

name. When payments are made to another account in the same person's name, they are usually considered to have a lower risk attached to them. Although the account Mr A made the payments to was not an existing payee and the values were significant. Considering these factors, I agree that BoS should have intervened and discussed the payments with Mr A, this type of intervention may have avoided the scam.

Was it fair for BoS to reduce the refund it offered Mr A by 50%?

Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions (see s.1C(d) of our enabling statute, the Financial Services and Markets Act 2000).

In the circumstances, I do think it was fair to reduce compensation by 50% on the basis that Mr A should share blame for what happened. I will explain why:

- It appears that Mr A gave incorrect information to BoS when he made payment 1, showing that he was willing to follow Y's guidance when making at least the first payment in relation to the scam
- Payments were made over several weeks which gave Mr A time to confirm he was speaking with a genuine organisation, considering the value of the payments being made I think this would have been reasonable
- Mr A had fallen victim to a similar scam in the past that had similarities to this scam, yet he continued to make payments requested by Y

The payments Mr A made were split over several weeks with the first significant payment being made more than a week after the first small one of £100.

I think it would have been reasonable, considering the amounts Mr A was being asked to send and the previous scam he had fallen victim to, for him to have carried out some due diligence before sending such significant amounts.

If he had carried out further checks, as he did at the end of the scam, I think it is likely he could also have prevented the scam and limited his loss.

So, I think the offer BoS made in relation to Mr A's complaint was reasonable, and more than what I could have asked it to offer, considering other parties involved. So, I won't be asking for it to do anything more.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 November 2025.

Terry Woodham
Ombudsman