

## **THE COMPLAINT**

Mrs G and Mr G holds/held an account with Ulster Bank Ltd (“Ulster”).

Mr G complains Ulster will not reimburse him money he says he lost when he fell victim to a scam.

The representative in this matter is CEL Solicitors (“CEL”). However, where appropriate, I will refer to Mr G solely in this decision for ease of reading.

## **WHAT HAPPENED**

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Mr G says he has fallen victim to an investment scam. He says fraudsters deceived him into making payments towards what he thought was a legitimate investment with IBKR.

This complaint is concerned with a single payment transfer Mr G made, in branch, to another account in his name. This payment was for £48,000 (plus a £25 fee). It was made on 21 August 2023. I will refer to this as the “Payment” throughout the rest of this decision.

Mr G disputed the above with Ulster. When Ulster refused to reimburse Mr G, he raised a complaint, which he also referred to our Service.

One of our investigators considered the complaint and did not uphold it. As Mr G did not accept the investigator’s findings, this matter has been passed to me to make a decision.

## **WHAT I HAVE 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 find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

### **Regulatory framework**

The regulations which apply in this matter are the Payment Services Regulations 2017 (“the PSRs”).

### Should Ulster have recognised that Mr G was at risk of financial harm from fraud?

It is not in dispute that Mr G authorised the Payment. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms/Bank – such as Ulster – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

I have borne the above in mind when considering the Payment in this matter.

I am satisfied that the Payment carried an identifiable risk. I say this because the Payment was high in value, which, when made, significantly decreased Mr G's account balance. Another aggravating feature in this case is the fact that Mr G told Ulster branch staff on the day in question that the Payment was for an investment. I am also mindful that the Payment was made post the Financial Conduct Authority's Consumer Duty. For these reasons, I would have expected Ulster to have questioned Mr G about the Payment before processing it.

### Was Ulster's intervention in the Payment proportionate?

Ulster has provided some evidence to show that branch staff did in fact question Mr G about the Payment. I will refer to this person as Staff A.

From what I can see, Staff A went through identification checks with Mr G and asked him several questions about the Payment. Below is a key question I have identified:

*"Have you been contacted unexpectedly by phone, text or social media, responded to an online advert and/or promised a high return with little or no risk?"*

Ulster's records show Mr G answered the above question in the negative. This contradicts what CEL have submitted to Ulster and our Service on Mr G's behalf. I say this because it is stated in those submissions, amongst other things, that Mr G, "... *received an invitation on WhatsApp from an unknown contact to join an investment group.*" Further, the messages exchanged between Mr G and the scammers suggest that promises were in fact made about high returns with little risk.

The above suggests that Mr G was not truthful with Staff A in branch. Mr G's misleading answer to Staff A's pertinent and important question frustrated Staff A's attempt to try to protect Mr G from financial harm. Staff A's subsequent questions were dependant on Mr G's previous answers.

It should be noted that prior to the above question, Staff A had asked Mr G, "... *You have not been contacted by anyone and you will be honest when answering the next series of questions?*" In response, Mr G answered, "Yes".

In branch, there was an issue regarding the Confirmation of Payee (CoP). In CEL's initial submissions to Ulster and our Service, they submitted, amongst other things, "***Save for some generalised warnings on your customers mobile/online banking pages [emphasis added], you failed to provide any risk-based effective scam warnings to your customer during their payment journey.***" CEL made no mention in their initial submissions that the Payment was actually made in branch. However, in CEL's response to the investigator's

findings, they now contend that Staff A should have been more concerned about the CoP issue, which should have resulted in further scrutiny.

I do find it odd that CEL did not raise any issues about what happened in branch in their initial submissions. Nevertheless, in their response to the investigator's findings, I do not find that CEL has shed much light on what discussions took place in branch regarding the Payment. For example, I would have expected to have been provided with comments from Mr G on his recollection about what happened in branch.

Having considered the messages exchanged between Mr G and the scammers, they, in my view, show that Mr G was very much under the spell of the scammers at the time of the scam. This is supported by CEL's submissions, for example, "*At this point, your customer [Mr G] **trusted the scammer implicitly [emphasis added]** and he agreed to continue investing further.*"

I have no doubt that the profits Mr G saw increasing on his 'trading platform' played a part in him falling deeper under the spell the scammers had woven.

Taking all the above points together, I am satisfied that Staff A's intervention regarding Mr G's Payment was proportionate – particularly when weighed against the answers Mr G provided, and the fact the Payment was made to an account in his name. Even if it could be argued that Staff A should have gone further in their questioning, I am satisfied that this would not have made a difference in the circumstances for the reasons I have already set out.

I am also satisfied that this is not a case where Ulster, contrary to Mr G's instructions, should have refused to put the Payment through.

### **Recovery of funds**

I have considered whether Ulster acted appropriately to try to recover Mr G's funds once the fraud was reported.

Ulster says it contacted the bank Mr G made the Payment to. That bank, Ulster says, in turn attempted to recall the Payment but was unsuccessful. To my mind, there was very little Ulster could have done in terms of recovery in this complaint. I say this given the Payment went from Mr G's Ulster account to another account in his name.

Further or alternatively, the likelihood that even if prompt action had been taken by Ulster on or immediately after the fraud was reported, any of Mr G's money would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between when the Payment was made (21 August 2023) and when Mr G reported the scam (2024). In these types of scams, fraudsters tend to withdraw/transfer out their ill-gotten gains immediately to prevent recovery.

So, I am satisfied that it is unlikely Ulster could have done anything to recover the Payment.

### **Compensation for distress and/or inconvenience**

I have considered whether an award for distress and/or inconvenience is warranted in this matter. Having done so, I am not persuaded that it is. I have not found any errors in Ulster's investigation. Any distress and/or inconvenience Mr G has suffered is a result of the scammers' actions – not Ulster's.

### **Conclusion**

Taking all the above points together, I do not find that Ulster has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Ulster to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

### **MY FINAL DECISION**

For the reasons set out above, my final decision is that I do not uphold this complaint against Ulster Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 17 September 2025.

Tony Massiah  
**Ombudsman**