

## **The complaint**

X complains that The Co-operative Bank Plc (“Co-op”) hasn’t protected them from losing money to a scam.

## **What happened**

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, X has explained that in November 2023 they made numerous payments from their Co-op account for what they thought was a legitimate investment opportunity. Ultimately, Co-op didn’t reimburse X’s lost funds, and X referred their complaint about Co-op to us. As our Investigator couldn’t resolve the matter informally, the case has been passed 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.

Having done so, I’ve reached materially the same conclusions as our Investigator, and for materially the same reasons. That is, I’ve decided to not uphold X’s complaint. I’ll explain why. In doing so, I’ve focused on what I think is the heart of the matter. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it; I haven’t. I’m satisfied I don’t need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

First, let me say, I don’t doubt X has been the victim of a cruel scam here. They have my heartfelt sympathy. Ultimately, however, X has suffered their loss because of fraudsters, and this doesn’t automatically entitle them to a refund from Co-op. It would only be fair for me to tell Co-op to reimburse X their loss (or part of it) if I thought Co-op reasonably ought to have prevented the payments (or some of them) in the first place, or Co-op unreasonably hindered recovery of the funds after the payments had been made; and if I was satisfied, overall, this was a fair and reasonable outcome.

I’m satisfied X authorised the relevant payments. Co-op would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, X is presumed liable for the loss in the first instance, in circumstances where they authorised the payments. That said, as a matter of good industry practice Co-op should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it’s not realistic or reasonable to expect Co-op to stop and check every payment instruction. There’s a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

In this case, however, I've seen evidence that Co-op and other payment service providers that X banked with intervened in the various payments X instructed as a result of the scam. And despite their best efforts, X wasn't upfront in these interactions with them. I've thought about what might have happened if Co-op had gone even further in its endeavours here in warning X that they were being scammed. But I'm afraid, for the same reasons as explained by our Investigator – and because I'm satisfied from the communications I've seen including those between X and the fraudsters that X was significantly under the spell of the scam and scammers – that I don't think it's likely Co-op would reasonably ever, in the circumstances of this case, have been able to prevent X losing this money. I'm persuaded from the communications between X and the fraudsters that X would likely have found another way to make these payments, even if Co-op had done everything it reasonably could to stop them.

I also wouldn't reasonably expect Co-op to have been able to recover X's payments in a situation like this whereby Co-op wasn't put on notice by X that they'd been scammed until after the funds had already been converted into cryptocurrency and sent on to the fraudsters or within a timeframe or circumstances whereby it would be reasonably expected to be able to recover any of the funds.

I'm sorry X was scammed and lost this money. Despite my natural sympathy however, I can't fairly tell Co-op to reimburse them in circumstances where I'm not persuaded it reasonably ought to have been able to prevent X's loss.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 9 July 2025.

Neil Bridge  
**Ombudsman**