

## **The complaint**

Mr J complains that The Royal Bank of Scotland Plc (RBS) won't refund money he lost when he fell victim to a scam.

A representative who I will call "W" complains on behalf of Mr J, but for ease, I will refer to Mr J throughout.

## **What happened**

The background of this complaint is well known to both parties so I'll only refer to the key events here.

In May 2024 Mr J fell victim to a scam when he sent money to what he believed to be an investment opportunity. Between May and October 2024 he made multiple payments and lost over £15,000 to the scammer. He made payments from his RBS account to other accounts in his name with different providers, before sending the funds to the scammer. Mr J has complained about one of these providers, and I will refer to them as "R."

Mr J realised he'd been scammed after he tried to access his funds but was told they had been seized. He complained to RBS who said as the payments were made to accounts in Mr J's own name which he had full control of, they were unable to accept liability or reimburse any loss, as it didn't occur with them.

Mr J brought his complaint to our service. Our Investigator looked into everything and was of the opinion that it would have been difficult for RBS to flag any unusual activity on Mr J's account given the payments were in line with what he had been using it for previously. She also said the payments were not of a value or made in such a frequency that they should have flagged as suspicious.

In addition, our Investigator felt that even if RBS had intervened, a warning wouldn't have resonated with him, given he had provided misleading information to R while making payments through that account.

Mr J didn't accept our Investigator's view and so the complaint has been passed to me.

## **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'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. 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.

Having considered everything, I agree with the Investigator and have decided not to uphold this complaint. I know this will come as a disappointment to Mr J, so I will explain why I have reached my decision.

It is clear in this case that Mr J has lost a lot of money. And while I do empathise with him, this doesn't automatically entitle him to a refund from RBS. It would only be fair for me to tell RBS to reimburse Mr J if I thought they reasonably ought to have prevented the payments, or they unreasonably hindered any recovery of the funds.

Under the Payment Services Regulations (PSRs) and the terms of the account, Mr J is presumed liable for any loss in the first instance, in circumstances where he authorises a payment. That said, in line with good industry practice, RBS should take proactive steps to identify and help prevent transactions that appear sufficiently unusual, uncharacteristic or suspicious that could involve fraud or be the result of a scam.

However, it is important to note that there are many payments made by customers each day and so it wouldn't be realistic or reasonable to expect a bank to stop and check every payment. There is a balance to be struck between identifying payments that could potentially be fraudulent and minimising any disruption to genuine and legitimate payments.

Here, I can see that Mr J made multiple payments into different accounts from RBS. Having considered the amounts paid, where they were paid to, along with the frequency, I don't find it unreasonable that RBS didn't intervene or provide scam warnings.

While there were many payments made, the amounts weren't high enough to trigger suspicion, and they were all being made to legitimate accounts in Mr J's name. The payments were also made over different days most of the time, and not in rapid succession (lots of payments for the same amount all within a very short space of time on the same day for example). The amounts fluctuated in value, credits were received, and I can't see any patterns that formed which should have alerted RBS that a scam could be taking place. Mr J had also made payments of a similar value in the months prior to the scam taking place.

While there are also many scams involving cryptocurrency, I wouldn't have expected RBS to have treated the payments suspiciously. The receiving accounts that weren't another financial provider were ones that are used by many individuals to transfer money that is invested in cryptocurrency legitimately. As a service, we cannot expect banks to stop every cryptocurrency transaction as it wouldn't be feasible, and a lot of them are in fact genuine.

RBS do have a limit of £1,000, and I agree that they should be on the lookout for other signs that may suggest someone is falling victim to a scam. Having a £1,000 limit doesn't negate the need to protect, but here, I don't believe there were any alarming signs present, which should have led them to intervene.

I can see Mr J spoke to RBS regarding the £1,000 limit on 3 June 2024, when he was trying to make a cryptocurrency payment of £1,350. At the time of this call, Mr J had made a few small payments already, and nothing that would have appeared out of the ordinary. During the call Mr J was transferred to RBS' fraud team, but he ended the call before he was put through. The next payment was then made the following day.

While I appreciate that this could have been an opportunity for RBS to ask Mr J some questions about the payments he was making, I don't find that it was necessary at that time and I don't find RBS did anything wrong in not calling him back.

Having reviewed the complaint Mr J has brought to our service against R, I can see that they intervened on some of the payments made from that account, but that Mr J didn't tell them he was making the payments in relation to an investment. Had he done so, they could have provided warnings tailored to investments.

Mr J has also argued that the evidence shows clustered crypto-exchange transfers interspersed with returns and re-funding into Mr J's RBS account, which are classic indicators of a live scam cycle that modern controls are designed to detect. However, this type of banking activity can also be legitimate, and we can't expect a bank to stop every payment that is made to a cryptocurrency platform, where a return has been received.

So overall, while there were many payments made, and while they may have been high in value for Mr J, I don't believe they should have triggered on RBS' systems, nor do I feel they warranted any intervention. It is also important to remember that RBS would not have been aware of what was being done on any other accounts. I can only assess what each business knew about the activity on the accounts they held for Mr J at the time.

However, for completeness, taking into account the arguments made suggesting the intervention wasn't satisfactory, even if I were to say that RBS should have intervened and provided a warning, it's worth noting that Mr J looks to have been influenced by the scammer. I have read through the conversations that took place, and can see that even when sceptical, Mr J placed a high level of trust in the scammer and followed their instruction. Mr J took out loans from the companies recommended by the scammer in order to fund the investment and sent screenshots to show what he was doing. Mr J also followed the scammer's guidance on how to send the money and also told them that a payment had been flagged by R meaning he may therefore need to send them in smaller amounts. I therefore find it most likely that even if RBS had intervened further by providing a tailored warning, Mr J would have proceeded with the payments.

Given everything, while banks do have a duty to look out for payments that may be evidence that a customer is falling for a scam, I am satisfied the payments here wouldn't have flagged as suspicious. And even if they had done, I believe it's most likely that a warning would not have worked. Because of this, I'm not able to ask either RBS to reimburse the money lost.

### *Recovery*

I also need to consider whether RBS did enough after being advised of the scam, to try and recover the funds.

The chargeback process is relevant here. However as Mr J made the payments into accounts in his own name, he would have been able to recover any funds should they remain.

Overall, while I strongly empathise with Mr J and what he has been through, I don't think RBS are responsible for the losses he has suffered. So, while I know this will come as a disappointment, I don't think RBS have acted unfairly by not refunding him.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 15 January 2026.

Danielle Padden  
**Ombudsman**