

The complaint

Mr S complains about Cumberland Building Society (“CBS”) not refunding several payments he says he made and lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won’t repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr S complains that from July 2023 onwards he sent several payments to what he thought was a legitimate investment.

Payment 1	11 July 2023	£200
Payment 2	14 July 2023	£200
Payment 3	20 July 2023	£20
Payment 4	28 August 2023	£30
Payment 5	11 September 2023	£2,600
Payment 6	13 September 2023	£5,000
Payment 7	06 October 2023	£1,000
Payment 8	07 October 2023	£1,000
Payment 9	13 October 2023	£5,000

Mr S says he found an advertisement on a social media platform and after registering his interest, received a call from someone from the firm. Mr S says he spoke to someone over the telephone before he started to send money to the scam. Mr S was then told the company had lost all his money. Shortly after Mr S was contacted by someone offering to recover the lost funds. Mr S sent further payments and then realised he’d been scammed. So, Mr S logged a complaint with CBS.

CBS looked into the complaint but didn’t think it had done anything wrong by allowing the payments to be made. So, Mr S brought his complaint to our service.

Our investigator looked into the complaint and upheld it in part. Our investigator thought CBS should’ve been on notice that Mr S was at risk of financial harm when he made the £5,000 payment on 13 September 2023. She thought CBS should have intervened and spoken to Mr S, and if it had, he would have been truthful, and the scam uncovered.

CBS responded and didn’t agree. It firstly said the payment was going to another account in Mr S’s name, so it wouldn’t have looked suspicious. CBS went on to say that it spoke to Mr S the day before the payment of £5,000 and told him he was being scammed, and Mr S went on to send the payment anyway.

As CBS didn’t agree with the investigator’s view, the complaint has been passed to me to decide.

I issued a provisional decision on 23 May 2025. This is what I said.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm 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 focused 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'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.

I am sorry to learn of Mr S's loss of funds. However, it would only be fair for me to tell CBS to reimburse him for his loss (or a proportion of it) if: I thought CBS reasonably ought to have prevented all (or some of) the payments he made, or CBS hindered the recovery of the payments Mr S made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether CBS treated Mr S fairly and reasonably in its dealings with him, when he made the payments and when he reported his concerns to it, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr S's complaint. I know this will come as a disappointment to him and so I want to explain why I've reached the decision I have.

In broad terms, the starting position at law is that a bank such as CBS is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice CBS should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

Having considered the size of the payments made from the account, I don't find any of them reached an amount that I think should've concerned CBS. The first two payments going direct to the scammer were of a very low amount, and when the amounts increased, they were going to another bank account in Mr S's name. As this became an established payee and was Mr S's own account, I don't think it would've caused CBS any concerns when the payments were made.

Having said that, I can see that someone from CBS spoke to Mr S when he made and cancelled a payment before he made payment 5. The CBS advisor took some details about the payment and the circumstances surrounding where Mr S was sending the money and told Mr S he was being scammed. Mr S expressed his own concerns and told the advisor that he already thought something wasn't right with the requests for payments from the scammer. The CBS advisor told Mr S to stop all payments, ordered him a new card and told him to ignore any further contact from the scammer – which Mr S agreed to.

Mr S then went on to make a payment of £5,000 the next day, as well as further payments after.

Mr S also sent payments from another account of his with a third-party bank and was asked to complete questionnaires and then received further warnings. Mr S didn't answer several of the questions accurately including where he had heard about the investment and whether he had been asked to download any screen sharing software. Despite this, Mr S was given a tailored warning relevant to the scam he was falling victim to, which also contained several

of the characteristics of the scam. Mr S ignored these warnings and continued to send payments.

So even if I were to be convinced that CBS should've spoken to Mr S again, I'm not convinced it would've stopped him making further payments. It appears to me that Mr S would have made them from a different account or found alternative ways to make them, as Mr S seemed determine to make the payments despite the warnings.

Mr S's belief in the investment and trust he had in the alleged scammers no doubt impacted his approach to the questions and warnings he was given here. But I am persuaded that had CBS tried to prevent him again from completing these transfers that he would have done so via another means.

The first scam Mr S fell victim to was cryptocurrency related, and it then turned into a recovery scam. The recovery scam was much later on, and I don't find any of the payments in relation to that scam were of a value that I think would've concerned CBS.

Recovery

I can see CBS did what it could to recover some of the funds for Mr S. Given the delay between sending the last payment and logging the claim, it doesn't come as a surprise that not all the funds could be returned., From what we generally know of scams of this type, the money is moved on to other accounts within the first 24 hours of the payments being made.

CBS didn't respond.

Mr S's representative responded and in summary said.

- CBS should have been concerned about the £5,000 on 13 September 2023 and prevented it.
- Mr S showed signs of vulnerability and uncertainty.
- Although CBS provided warnings, the effectiveness of these warnings is questionable. Mr S had been honest in previous communications with CBS, so further probing questions or a direct intervention might have broken the influence of the scammers and prevented further loss.

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 taken into account all of the information and evidence sent by both parties involved, including the further submissions provided to my provisional decision, I haven't changed my outcome. I'll explain why.

I explained in my provisional decision why I didn't think any further intervention or questioning could have prevented the payments being made, and that would include the £5,000 highlighted by Mr S's representative. So, I won't repeat it again here. I also explained why I didn't find any of the values ought to have triggered intervention.

Mr S's representative has said that Mr S was showing signs of vulnerability and uncertainty on the call he had with the advisor. I've listened to this call and Mr S agreed to cut all contact

with the scammer. It's worth noting that Mr S also suspected he was being scammed before the advisor spoke to him. In my view he wasn't showing signs of someone that didn't understand what the bank was advising him to do or why it was asking him to do it. He agreed with its suggested actions.

CBS did intervene and told Mr S he was likely being scammed. Unfortunately, Mr S chose to ignore this warning, and I'm not convinced it could have done anything more in the circumstances of the complaint.

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 S to accept or reject my decision before 8 July 2025.

Tom Wagstaff
Ombudsman