

The complaint

Mr H has complained that Clydesdale Bank Plc (trading as Virgin Money) won't refund the money which he explained he lost in a scam.

What happened

Both sides are most familiar with the case, and we must anonymise decisions, so I'll summarise what happened relatively briefly.

Over the course of about a week in September 2024, Mr H paid around £1,500 from his Virgin Money credit card to a cryptocurrency exchange.

Mr H has explained that he saw an advert on social media which falsely claimed that a celebrity recommended a particular investment scheme. Mr H contacted the scheme. They helped him set up an account at a crypto exchange, and together he and they dealt in crypto. Soon after, they said he'd made enormous profits, but had to pay a large up-front fee for insurance. Mr H didn't like the sound of that, so he contacted Virgin Money, who told him it was a scam.

Virgin Money didn't think they were liable for Mr H's stated loss. Mr H brought the case to our service, and pointed out that his other bank – from which he'd sent around £14,000 – had reimbursed him.

Our Investigator looked into things independently and didn't uphold the complaint. Mr H asked for an ombudsman's final decision, so the complaint's 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.

I understand that Mr H likely fell victim to a scam here, for which he'd have my sympathy. I appreciate that such scams can often feel cruel, and are often not easy matters to face. And I appreciate why Mr H would want his money back from any scam. We must keep in mind that it'd be the scammer who'd be primarily responsible for their own scam, and it'd be the scammer who'd really owe Mr H his money back. But this case isn't against a scammer, it's against Virgin Money. So in this decision, I'm just looking at what Virgin Money are responsible for.

I must point out that in order to potentially hold Virgin Money liable for any payments lost to a scam, I'd broadly need to have evidence which reasonably substantiates that the payments in question really were lost to a scam. But Mr H has been unable to provide such evidence here. And I do appreciate that it may be difficult for him to do so. But it means that all I can see is that he paid money into a cryptocurrency wallet; and for all I can know, that money may still be available to him, or may have been used to purchase goods or services, and so on. I'm not saying I've actually concluded that Mr H made a false claim, or anything like that. But I can't fairly hold Virgin Money liable for this stated scam loss when I don't have any evidence which substantiates that the money was lost to a scam.

With that said, even if I were to conclude that these payments were all lost to a scam, despite the lack of evidence, I'm afraid I still couldn't reasonably hold Virgin Money responsible for that alleged loss. Banks are not automatically responsible for every scam. As I said above, it's the scammer who's primarily at fault. I'll explain why I couldn't fairly hold Virgin Money liable in this particular case.

It's not in dispute that Mr H authorised the payments involved. So although he didn't intend for the money to end up with a scammer, under the Payment Services Regulations he is liable for the stated loss in the first instance. And broadly speaking, Virgin Money had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Virgin Money should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Virgin Money should have done more in Mr H's case.

However, I don't think the payments involved were so remarkable that Virgin Money needed to intervene. While I understand that this was a substantial amount to lose in total, these payments were not nearly large enough or made rapidly enough to have been of particular concern to the bank. Their size wasn't particularly notable relative to the balance, they were relatively spread out, and they didn't form any particularly suspect pattern. And Mr H didn't speak to Virgin Money about the payments at the time that he was making them, so Virgin Money didn't miss any particular opportunity to question them at the time they were made.

I've then considered what Virgin Money did to try to recover the money after Mr H told them he was scammed. Unfortunately, it wasn't possible for Virgin Money to trace or take back funds which had already been sent on in crypto. And as these were card payments, they were not covered by schemes like the CRM Code for scams. Virgin Money did try raising a dispute, but were unable to go ahead as Mr H was unable to provide the required evidence. And in any case, such a dispute would've been a claim against the crypto exchange rather than the scammer, and from what we've been told the exchange provided the services they were supposed to. So there'd have been no realistic prospect of success for such a dispute anyway. And I'm afraid there was nothing more that Virgin Money could've reasonably done to get the money back here.

Mr H rightly pointed out that his other bank refunded him, and I understand why he thought to raise this. But that case had different circumstances. For example, from what we've been given, those payments made from that bank were much larger and made more rapidly, such that they would've been of much greater concern; and in that case Mr H did speak to that bank at the time and they've accepted they missed an opportunity to uncover the scam. We look at each case on its individual merits. And I've explained above why, in this particular case, Virgin Money are not responsible for the stated loss.

Lastly, I also appreciate that Mr H found it confusing dealing with Virgin Money's different departments. But some situations will require speaking to different departments, and I've not found that Virgin Money got anything substantially wrong here. It's very understandable that Mr H would've found it most stressful dealing with a scam. But I think that the stress he suffered was caused primarily by the scammer who scammed him, rather than by Virgin Money, who ultimately told Mr H about how such investment scams work and helped prevent a potential further loss.

So while I'm very sorry to hear about what a scammer did to Mr H, I don't think Virgin Money can fairly be held responsible for his stated loss. And so I can't fairly tell Virgin Money to reimburse Mr H in this case.

My final decision

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

This final decision marks the end of our service's consideration of the case.

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

Adam Charles
Ombudsman