

The complaint

Mrs O has complained that Bank of Scotland plc won't refund the money she says she lost in a scam.

What happened

In 2025, Mrs O complained to Bank of Scotland via representatives.

She's explained that in 2021, she saw a social media advert for a cryptocurrency investment scheme, and invested in it. But it turned out to be a scam and she was unable to withdraw her funds. She was then referred to another scheme which claimed to be able to recoup her losses, but this was also a scam.

The transfers in question were made across several months in 2021 to an account at a cryptocurrency exchange which Mrs O's partner had helped her set up, and totalled around £70,000. At the time, Bank of Scotland intervened and questioned the payments, and based on Mrs O's answers, they let them go ahead.

Bank of Scotland didn't think they were liable for Mrs O's stated loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mrs O's representatives asked for a 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 Mrs O may have fallen victim to a scam, and if so then she has my sympathy there. I appreciate that such scams can be cruel and are often not easy matters to face. With that said, I don't have sufficient evidence that these particular payments were lost to a scam. For example, while I have an email showing that Mrs O registered an account with the investment scheme, and records of her depositing money into her chosen crypto account, I don't have any evidence of things like payment requests, or of her being told where to send funds, or confirmations of her deposits to the scheme, or any other contact or documents which substantiate that Mrs O sent these payments in relation to this scheme. For all I can know, the funds remained available to Mrs O on the crypto exchange, or were sent to another wallet of hers or an acquaintance's, or were used to purchase goods or services, and so on.

I'm not saying I've actually concluded that Mrs O made a false claim, or anything like that. But I could only reasonably hold Bank of Scotland liable for a scam loss if the evidence actually substantiated that the loss took place. And here, I don't have sufficient evidence of that. Which means I can't hold Bank of Scotland liable. With that said, even if I were to conclude that all these payments were lost to a scam – despite the lack of evidence – I'm afraid I still couldn't reasonably hold Bank of Scotland responsible for that alleged loss. I'll explain why.

It's not in dispute that Mrs O authorised the payments involved. So although she didn't intend for the money to end up with scammers as she says it did, under the Payment Services Regulations she is liable for such a loss in the first instance. And broadly speaking, Bank of Scotland had an obligation to follow her instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Bank of Scotland should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them, though a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. All parties accept that Bank of Scotland should've intervened here, so I'm glad to see that they did, more than once.

I agree that Bank of Scotland's intervention should've been better. For example, they could have asked more open and probing questions. But I'm not persuaded that proportionate intervention was most likely to have stopped this alleged loss. I'm afraid I must take into account that Mrs O provided misleading answers which undermined the bank's ability to uncover or prevent the scam. For example, she told Bank of Scotland she was introduced to the investment by family rather than via social media. She confirmed she was investing via the crypto account her partner had helped her set up, and no one else was helping her or in control of the funds; she'd done her own research, and she'd not been contacted by anyone or asked to move the money or lie. She never mentioned the actual scheme involved. I don't agree that Bank of Scotland had sufficient reason to call the police on her – from what she'd told them, she was just investing in crypto of her own accord. And it doesn't seem most likely that further reasonable intervention would've uncovered or prevented the scam. It seems more likely that Mrs O would've stuck to her existing tack. It would not have been particularly difficult to maintain a cover story that she was just investing in crypto of her own accord, and warnings would've been tailored to the answers provided. Overall, I'm not persuaded that reasonable, proportionate intervention would've most likely stopped the loss in this case.

I've then considered what Bank of Scotland did to try to recover the money after Mrs O told them she'd been scammed. The payments went to an account in Mrs O and her partner's control, rather than to the alleged scammers directly, so they weren't covered by the CRM Code for scams. It wasn't possible for Bank of Scotland to recover money which Mrs O had already sent on in crypto, and any money remaining in the crypto account was still under Mrs O's control, so there was nothing more for Bank of Scotland to do there. And I'm afraid there was nothing more that Bank of Scotland could've reasonably done to get the money back here.

So while I'm very sorry to hear that Mrs O might have lost significant sums to a scam, I don't think Bank of Scotland can fairly be held responsible for her stated loss. And so I can't fairly tell Bank of Scotland to reimburse Mrs O in this case.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 4 November 2025.

Adam Charles
Ombudsman