

The complaint

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

What happened

Mr A was the victim of an investment scam after seeing an advert for an investment opportunity on social media. He was told that if he invested £300, he could make £3,000, and was shown screenshots of others making good profits, so he decided to invest. Between 6 March 2024 and 19 September 2024, Mr A made a series of payments to a cryptocurrency provider, and then to a money transfer service, from where funds were moved on to third parties. Unfortunately, and unknown to Mr A at the time, this was not a legitimate opportunity, he was dealing with scammers.

In total, Mr A sent seven payments totalling £1,665 to the cryptocurrency provider in March 2024, although he appears to have had the bulk of this amount back in returns from the same cryptocurrency provider (£1,240). In August and September 2024 he then sent £3,080.84 to the money transfer service, over the course of 17 separate payments. In total Mr A has lost £3,505.84. He realised he had been scammed when the scammers continued to ask for more payments from him, and he wasn't getting any returns.

Mr A raised a complaint with RBS, but it didn't feel it was liable for his loss. Mr A was unhappy with RBS' response, so he referred his complaint to our service. In its submission to us RBS said it had intervened in the first payment to the cryptocurrency provider – asking Mr A to confirm in the app that this payment had been made by him – and that none of the other payments had been flagged as high risk. It did though feel it could have handled his claim better, so it offered Mr A £150 compensation but declined to refund any of the payments Mr A had made.

Our investigator looked into what had happened, but did not think RBS was liable for Mr A's loss. They said that the payments had not been unusual enough to warrant any further intervention from RBS, so they didn't think RBS could have prevented the loss.

Mr A disagreed with these findings, so the matter has been passed to me for review.

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.

In this case the relevant regulations are the Payment Service Regulations 2017. Those regulations state that an account holder is liable for payments they have authorised. And there is no dispute here that Mr A did authorise the payments made to the scam. That means Mr A is responsible for those payments, and that remains the case even though Mr A was the unfortunate victim of a scam.

Because of this, Mr A is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether RBS acted fairly and reasonably in its dealings with Mr A, or whether it should have done more than it did.

However, considering the value and nature of the payments, in the context of Mr A's account, I don't think there was anything that should have flagged to RBS that Mr A might be at risk of financial harm. The payments were not unusually large compared to the payments Mr A regularly made out of the account. And the initial set of payments in March 2024, to the cryptocurrency provider, were interspersed with payments into Mr A's account from that same cryptocurrency provider, and so I don't think this would have appeared as potential scam activity to RBS. The next set of payments, in August and September 2024, were spread out over a longer period of time, and were for varying amounts, rather than following any clear pattern of increasing payments as one might usually expect to see if a scam was taking place. Mr A has said that these payments ultimately went to Jamaica and that this should have been a red flag to RBS, but RBS would only have been able to see that Mr A was making regular payments to a legitimate merchant that provided money transfer services, and given the values of these payments I don't think that would have given RBS any particular cause for concern.

These payments simply did not follow the pattern that we might usually expect from a scam, where generally scammers will try to take as much money from their victim as quickly as they can. So, with this in mind, I think it is reasonable that RBS allowed the payments to be made without any direct intervention.

Given that I do not consider RBS missed an opportunity to intervene in these payments, even though I accept Mr A was the victim of a cruel scam, I don't think RBS could have reasonably done anything to prevent his loss and I'm satisfied its decision not to refund the money he lost to the scam was fair.

I've gone on to consider whether RBS could have done more to try to recover the money Mr A lost once it was clear that he had been the victim of a scam. But as the disputed payments were made by card, they fall under the scope of the voluntary chargeback scheme. But there are limited grounds to raise a successful claim, and I don't think they apply here. The payments were authenticated. And the dispute ultimately wasn't against the merchants paid directly – which is what a chargeback would consider – but the scammer. So, I don't consider RBS could have done anything to retrieve those funds.

I note that RBS has offered Mr A £150 to recognise that it could have given him some better information when dealing with his claim, which seems fair in the circumstances, Mr A can let RBS know if he wishes to accept that offer now.

I appreciate that this will be very disappointing for Mr A, and I can entirely understand why he feels the way he does about what has happened here, but with all I've seen I don't consider that I can fairly say RBS should be held liable for his loss or that it could have done more to recover his funds.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 February 2026.

Sophie Mitchell
Ombudsman