

## The complaint

A company, which I'll refer to as E, complains that ClearBank Limited ('ClearBank') won't reimburse the funds it lost in a scam.

Mr C, who is a director of E, brings the complaint on E's behalf.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr C says that he received a message from someone who introduced him to a remote job role which involved reviewing products on a platform by 'purchasing' them. He would receive a commission for each review. When he had completed a set number of tasks Mr C tried to withdraw his funds and commission but was told by the company he had breached his contract. Mr C was then required to pay various fees. To pay the amounts requested, Mr C sent funds from E's account to another account held by E with a different firm, and to a personal account, and then to a provider of cryptocurrency. The cryptocurrency was then sent to wallet details provided by the company.

Mr C realised he was the victim of a scam when he was asked to pay more to withdraw his funds. Overall, he transferred £57,000 to another account held by E and £1,400 to his personal account from E's ClearBank account. He lost all these funds in the scam.

Through a professional representative, Mr C complained to ClearBank in February 2025. He said ClearBank failed to intervene appropriately and uncover the scam.

ClearBank didn't agree to reimburse E. It said that Mr C should approach the firms that held E's other account and his personal account, as funds were lost from those accounts. It went on to say that with the exception of a £37,000 transaction, the payments were in line with usual account activity. And it expects one-off larger transfers to another account held by a company.

Mr C, acting on behalf of E, was unhappy with ClearBank's response and brought a complaint to this service.

The investigator who considered this complaint didn't recommend that it be upheld. He said that E didn't suffer a loss. The loss in this case was suffered by Mr C, so it wouldn't be fair to ask ClearBank to reimburse it.

Mr C acknowledged that the loss occurred in his personal capacity but the scam payments were made from E's account, but he didn't agree with the investigator's findings. I have summarised what I consider to be his main points:

- This service exists to provide fair and reasonable outcomes rather than just apply narrow legal interpretations. It wouldn't be fair or reasonable to allow a bank to benefit because of a technicality when there were, in his opinion, clear errors by

ClearBank. Mr C said he believed out of character payments left E's account after a period of dormancy and ClearBank should have done more. He highlighted FCA Principles 2 and 6, and referred to ClearBank missing a well-known pattern of fraud.

- The funds were transferred from a business account on the instructions of fraudsters and not because he had made a business decision. The fact that he and E are separate legal entities shouldn't override ClearBank's responsibilities.

### **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 deciding what's fair and reasonable, I am required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice and, where appropriate, what I consider to have been good industry practice at the time.

The payments I have been asked to consider were made from E's account, so E is the eligible complainant here. As the director of E, Mr C can represent E, but personally he is considered a separate legal entity, distinct from E.

It isn't in dispute that Mr C authorised the payments from E's account. In broad terms, the starting position at law is that a bank such as ClearBank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

The first point I need to decide is whether E, as the eligible complainant in this case, has suffered a loss.

I'm satisfied, and I note that Mr C accepts, that the scam funds were used in respect of a 'job' Mr C performed in his personal capacity. All the evidence Mr C has provided demonstrate that the fake job was a role Mr C was performing in his personal capacity for his personal gain. All communication with the company is in Mr C's name, as are documents like the non-disclosure agreement. So I'm satisfied that, on balance, the spending on E's account was for the purposes of Mr C's own personal gain, rather than for any business-related purposes.

Broadly speaking there are two potential scenarios in relation to the debt created by the spending on E's account. Firstly, that this was, in effect, E lending money to Mr C personally. If Mr C had borrowed money in this way from E for personal gain, then he would be liable to repay that debt to the company. In this situation E can't fairly be considered to have suffered a loss, as it is still owed the money by Mr C as the debtor.

The second potential scenario is that E was discharging some debt owed to Mr C, like a dividend payment, wages or similar. But in this situation, again, E hasn't suffered a loss. The debt has been discharged, and Mr C was provided with what he was owed (which he then paid to fraudsters).

I agree with Mr C that ClearBank has obligations to on the lookout for, and protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears out of character.

But I don't think the fair and reasonable outcome here is to require ClearBank to do anything. Whichever approach I take to the spending on E's account, I'm not persuaded that E has suffered a loss. So, even if I were to conclude that there had been a failing by ClearBank when the transfers were made (and, to be clear, I've not considered this), it wouldn't be fair and reasonable for me to ask it to do more. This is because any failures that might have occurred didn't cause a loss to E. The fact that Mr C was involved in a scam and says he was advised by fraudsters to use his business accounts doesn't change this.

In the circumstances, whilst I'm sorry to hear of the hardship caused by this cruel scam, I'm not upholding this complaint.

**My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 30 December 2025.

Jay Hadfield  
**Ombudsman**