

## **The complaint**

L, a limited company, has complained Zempler Bank Limited won't refund money they lost as the result of a scam.

## **What happened**

Mrs O is one of the directors of L. In May 2024 she was approached about a business opportunity by someone she knew (who I'll call T). This was to be a healthcare-based project where L would supply supported living arrangements and T would ensure there were clients and tie up contracts. A contract was drawn up between Mrs O and T.

That month L made four payments from their business account with Zempler to three different accounts totalling £15,040.

Mrs O went ahead to secure accommodation and carry out required refurbishment. She received two payments from T to assist with this in August and October 2024.

Mrs O realised as no further funds were returned to her that this had all been a scam from the start. Through her representatives, she complained to Zempler who also brought L's complaint to the ombudsman service.

Zempler confirmed they didn't believe this had been a scam but was a civil dispute between L and T. They weren't therefore going to make any further redress.

Our investigator felt it was unclear whether this had been a scam or not. She noted that at the time L made the four payments, there was no reason to suspect this wasn't a genuine business arrangement with someone Mrs O knew. She wasn't going to ask Zempler to refund L.

Unhappy with this outcome, L have asked an ombudsman to consider their complaint.

## **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 done so, I've reached the same conclusion as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

I don't dispute Mrs O believes L was scammed. She has my sympathy about what she has gone through.

However, I'm not convinced that the evidence indicates L was the victim of a scam. I've reviewed the limited detail we've seen about the business opportunity available to Mrs O, on

L's behalf, and what her expectations were. I can also see that she believed everything was above board as within a short period she'd acted to secure premises and started carrying out the works needed. Mrs O was prepared to invest her own funds and it's clear L received two payments, amounting to £9,000, from T up to five months after L's initial payments.

I have read and considered the submission that L's representatives have provided. However, I don't believe it is clear that a scam was in operation. I say this because there is a contract describing the business involved. Mrs O clearly knew the individuals. In fact T was particularly well-known to her. She didn't doubt this was a genuine business opportunity and was directly linked to the healthcare business L was working in.

This wasn't a random push payment fraud where L was conned into paying for crypto currency or foreign exchange investment. So, I completely understand why Zempler has stated this is a civil dispute between L and T.

That said, I have gone on to consider some other aspects to this complaint. Firstly, there's no dispute that L made and authorised the four payments. Therefore, I'm satisfied the transactions were authorised under the Payment Services Regulations 2017

It's generally accepted that Zempler has an obligation to follow L's instructions. So in the first instance L is presumed liable for their loss. But that's not the end of the story.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider that Zempler should:

- have been monitoring accounts and payments made or received to counter various risks, including fraud and scams, money laundering, and the financing of terrorism.
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which financial institutions are generally more familiar with than the average customer.
- in some circumstances, irrespective of the payment channel used, have taken additional steps or made additional checks before processing a payment, or in some cases declined to make a payment altogether, to help protect its customers from the possibility of financial harm.

There's no evidence that Zempler conducted any specific checks into these payments albeit L would have received and noted generic fraud warnings.

However, at the time these payments were being made, it's clear Mrs O felt this was a genuine business opportunity and L was entering into a contract to secure these. If Zempler had raised any specific questions, I am sure Mrs O would have confirmed she knew T and was pursuing a legitimate business opportunity.

Overall, I'm not convinced Mrs O was investing in a scam or that Zempler should have done anything further. I won't be asking Zempler to refund L.

### **My final decision**

For the reasons given, my final decision is not to uphold L's complaint against Zempler Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 6 January 2026.

Sandra Quinn  
**Ombudsman**