

The complaint and background

Mr O N complains on behalf of company “A” that Bank of Scotland plc, won’t reimburse money Mr O N says was lost to a scam.

Mr O N has replaced Mr J N as the director of A – however, Mr J N is also bringing this complaint as the party that made the payments on behalf of A.

A is in the business of providing containers, sheds and such like for use and to rent out to others. In 2023, Mr J N was looking for containers online, after being provided with a website by a friend. He came across an opportunity to obtain 20 units for £20,000 from a company based abroad. This was comparable with offers from companies within the UK, but the delivery time was quicker. During April and May 2023, a total of £20,550.24 was paid from A’s account for the containers. When they didn’t arrive, A reported it had been scammed to the bank. A then complained in 2024 when neither an update nor a refund was forthcoming.

The bank didn’t uphold the complaint as it didn’t find it had done anything wrong. Our investigator didn’t find the bank had done anything wrong either. Although she found the bank ought to have asked questions when the payments were made, given they were made in branch, she wasn’t persuaded any intervention by the bank could have prevented the loss; this was particularly given the lack of clarity around the time line of events, as Mr J N said he didn’t make enquiries with the destination dock to find out they didn’t receive containers until after the final payment had been made, yet the evidence provided showed he knew that beforehand. She therefore wasn’t persuaded Mr J N would have been forthcoming if questioned or, if he was, that the bank ought to have been concerned by a payment of ‘custom fees’.

A didn’t agree. It said the bank didn’t adequately investigate the legitimacy of the company involved. It said it sought confirmation from the bank this wasn’t a scam and received reassurance it wasn’t. It is concerned the bank has no records of this conversation, calling into question whether it was abiding by the regulator’s principles. A says the bank ought to have asked more questions about the payments, and the bank’s lack of fraud alerts significantly contributed to the scam’s progression and the loss of funds.

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 have come to the same overall outcome as the investigator and for broadly the same reasons.

Under banking regulations and banking terms and conditions, a bank should execute authorised payments instructions without undue delay. The starting position is that liability for authorised payments rest with the payer – Mr J N, on behalf of A – even where they have been tricked into making those payments. There is no dispute the transactions were authorised.

The bank is aware of our approach of expecting it to have been monitoring accounts to counter various risks, have systems in place to identify unusual transactions or other indicators that its customers were at risk of fraud; and in some situations, make additional checks before processing payments or declined them altogether to protect customers from possible financial harm from fraud or scams.

I accept the payments in this case were quite sizeable, with two transactions with a combined total of over £13,200 in April 2023, and a further payment of over £7,300 in May 2023. But the value alone doesn't make them suspicious. I'm mindful the payments were from a business account (even if transferred in from elsewhere first) and it isn't unusual for businesses to make large payments. Indeed, reviewing A's accounts in the weeks and months leading up to these payments, several sizeable transactions were made, such that I'm not necessarily persuaded those subject to this dispute ought to have looked suspicious.

However, they were international payments made in branch, and so there was an opportunity for the bank to ask questions about them. I understand A's concern about the lack of records. But that alone is not sufficient for me to uphold this complaint. In order to do so, I would need to be persuaded that any reasonable line of questioning by the bank, would have led to the payments not being made.

A overstates the bank's obligations in this regard. It was not, and is not, required to "investigate the legitimacy" of any company its customers may want to pay. That is for the customer to do, the most that would usually be expected from a bank is to guide a customer as to how they could protect themselves – for example, with an investment, the bank could advise their customer to check the adviser is authorised. Contrary to the complaint letter, this was not an investment, but a business opportunity. And as A is in the business of buying and renting out containers, it would already be in a good position to know what to look out for when buying such goods; it's hard to see how a bank could add to that. I say this, bearing in mind the original website Mr J N found the opportunity through, was provided by a friend, presumably a trustworthy source.

The investigator has also pointed to an inconsistency that hasn't really been resolved. Mr J N has said he asked the bank when making the final payment if this was a scam and was reassured no – and the docks weren't contacted until after that payment was made to enquire about the arrival of the containers. But that isn't borne out by the evidence. The messages between Mr J N and the alleged scammer show that he'd already contacted the docks and knew they didn't accept containers in early May as this was expressly queried with the 'scammer' on 5 May 2023. The messages show Mr J N was quite insistent on obtaining an agent's name and number to make further enquiries. Seemingly he satisfied himself that all was well, as later that same day, Mr J N confirmed he'd spoken to someone and the provider's lawyer, and was happy to now send the remainder of the money. The final payment was then sent a few days later on 9 May 2023.

Given Mr J N had already taken additional steps to reassure himself the containers were going to arrive, it's hard to see what other steps the bank could have advised Mr J N to take to avoid A falling victim to a scam. And given the inconsistency in that testimony in light of the evidence, I'm not persuaded Mr J N's recall is accurate and as such I find it unlikely the bank was asked if this was a scam before making the final payment, as alleged.

Overall, I'm not persuaded any intervention by the bank could have uncovered, or helped A uncover, that it might have been falling victim to a scam at the time of the payments being made. I therefore don't uphold this complaint and so I won't be making an award against the bank.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask A and A to accept or reject my decision before 20 October 2025.

Claire Hopkins

Ombudsman