

The complaint

Mr A complains Bank of Scotland plc won't refund money he lost to an authorised push payment ('APP') scam.

What happened

The background to this complaint is familiar to both parties, so I'll only refer to some key events here.

Mr A says that between May and November 2021, he was tricked into sending money to what turned out to be an investment scam. Mr A explained the scam started when he received a cold call from what he understood to be a broker dealing in crypto trading, which I'll refer to here as 'P'. Mr A says he confirmed P was legitimate by verifying their FCA reference number. He said he also read positive online reviews, which persuaded him the opportunity was reliable and legitimate.

Mr A says the scammer guided him to set up an account with P and to create a wallet account with a legitimate crypto exchange (which I'll refer to here as 'C'), via the use of remote access software. Mr A also provided P with copies of his ID.

In total Mr A sent just over £9,000, over a series of four payments, to his wallet with C from his Bank of Scotland current account. He says that having purchased crypto he then withdrew it to other wallet addresses provided by the scammer.

Mr A said he was initially able to see his balance increasing and trades being placed on P's platform, but at some point, he received a call from P advising him that all his money had been lost via a bad trade. Mr A said he lost faith in P at this time and looked for a further investment opportunity to recoup his losses. It was only when subsequent investments failed, which all followed a similar pattern, that he realised he'd likely been scammed.

In November 2023 Mr A complained to Bank of Scotland that it should have done more to protect him from the risk of scams when processing his payments to P and other scams. He asked that it refund his payments plus interest and pay him compensation. Bank of Scotland didn't uphold Mr A's complaint and refused to reimburse him for his loss. It explained it was satisfied it had intervened appropriately and made him aware of potential scams.

Unhappy with Bank of Scotland's answer, Mr A referred his complaint to the Financial Ombudsman Service. Our Investigator didn't uphold the complaint. Mr A disagreed and asked for an Ombudsman's final decision. The case was then passed to me to decide.

As previously explained, while Mr A has asked the Financial Ombudsman to consider a complaint about four scams he fell victim to, I have decided that to reach a fair outcome it is necessary that we consider this as four separate complaints. As a result, in this complaint I will only be considering Bank of Scotland's actions in relation to the second scam, the circumstances of which I have outlined above. I will consider Bank of Scotland's action in relation to Mr A's other scam claims under separate complaint references.

Before reaching a decision, I reached out to Mr A to request some further information to enable me to reach a fair and reasonable outcome. As part of the request, I asked for (amongst other things):

- Further evidence to demonstrate the scam that took place – including what information he'd received from P and detailed testimony about how the scam unfolded; what persuaded him to invest; what returns if any he received or was promised; how he was persuaded to invest further sums and how the scammers instructed him on what to do, including how it shared the crypto wallet addresses;
- An explanation about why Mr A moved past Bank of Scotland's scam warning when he made his largest payment (£5,000) to C; and
- Clarification about what other deposits into his C wallet related to.

I explained that based on the information currently available, I was unable to safely conclude that Mr A lost money due to the actions of a scammer or that proportionate intervention from Bank of Scotland would most likely have prevented his loss.

Mr A responded to my information request, but with the exception of providing a few more emails he received from P between May 2021 and January 2022, he did not answer the questions I have summarised above. He confirmed that he had no more evidence he could provide.

I issued a provisional decision on 9 October 2025 setting out why I wasn't minded to uphold Mr A's complaint. For completeness, I repeat my provisional decision below:

"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 am not upholding Mr A's complaint. I realise this will come as a disappointment to Mr A, but for reasons I'll go on to explain, I'm not persuaded he has provided sufficient persuasive evidence to demonstrate that he has suffered a loss due to the actions of scammers – or if he did suffer a loss, what the specific loss was. Additionally, if I were to accept he had been scammed, while I can see there was an opportunity for Bank of Scotland to have done more to intervene before processing one of Mr A's payments, I'm not sufficiently persuaded that proportionate intervention from Bank of Scotland would most likely have prevented his loss. In the circumstances, I am therefore unable to safely conclude Bank of Scotland is responsible for Mr A's loss.

In response to my requests for evidence, Mr A has provided copies of emails he received from P. One of which appears to be a "Deposit Confirmation", although it is unclear how much had been deposited or on which date. While I have no doubt Mr A was in contact with P, I don't have any persuasive evidence linking P to the payments Mr A made to his C wallet.

I am aware that the Financial Conduct Authority ('FCA') published a warning about P in February 2020, which indicated it was providing financial services or products in the UK without authorisation. But this does not automatically mean it was operating a scam – that's to say that it received Mr A's funds with the knowledge and intent that those funds would not be traded as agreed.

There is also some evidence that gives me reason to question if P was operating a scam, or if Mr A suffered the loss of funds he has claimed.

As part of our Investigation into this complaint, the Financial Ombudsman Service obtained transaction history for Mr A's wallet with C. I can see the wallet was set up in

November 2020, and not as part of this scam (which Mr A says started in May 2021) as Mr A has previously suggested.

The transaction history shows deposits into Mr A's wallet from his Bank of Scotland current account, those funds then being used to purchase bitcoin ('BTC'), which are then sent to external crypto wallets. It is not possible to see who owns the external crypto wallets. I accept that this looks consistent with the account activity I may see when a consumer has been scammed. But it could also be consistent with an entirely legitimate transaction where Mr A has purchased crypto from C and simply moved it to another account in his name, or elsewhere for reasons other than a scam.

The transaction history also shows that Mr A's wallet received several deposits of BTC from an external wallet, that was then sold (i.e. transferred back into GBP) and withdrawn back to Mr A's bank account. I accept that this may be unrelated to the alleged scam with P, but it could also demonstrate that Mr A did receive profits/returns from a legitimate trading account with P. Unfortunately, I am unable to decide which as Mr A has not provided a clear answer to my questions.

In the circumstances, while I accept Mr A may have fallen victim to a scam, I don't think – based on the evidence I have available – that I can reasonably establish that it is more likely than not that he has lost money due to the actions of scammers, which is the evidential standard I need to meet. And without establishing that Mr A has lost money to a scam, I can't fairly or reasonably direct Bank of Scotland to refund the disputed transactions.

But even if I were persuaded Mr A lost money to a scam, I'm not persuaded that proportionate intervention from Bank of Scotland would most likely have prevented his loss.

In broad terms, the starting position in law is that a bank is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (2017) and the terms and conditions of the customer's account. But taking into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Bank of Scotland ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I have reviewed Mr A's Bank of Scotland account and the payments he made to the scam. Having considered when they were made, their values (£5; £2,000 and £5,000) and who they were made to, I would only have expected Bank of Scotland to make enquiries before processing the £5,000 payment, as in fact it did. The earlier smaller payments were broadly in keeping with Mr A's previous account activity, which included some payments to crypto providers, and so I wouldn't necessarily have expected Bank of Scotland to make any enquiries of Mr A before processing those.

When Bank of Scotland did intervene on a £5,000 payment to C in November 2021, it presented Mr A with an onscreen warning that said:

"Just a minute

Be sure that you know who you're sending money to. Please check the account details with a trusted source.

Fraudsters invent persuasive reasons to get you to make a payment. See all the latest scams fraudsters use on our fraud hub page.

Failure to take precautions before you make your payment could mean we are not able to get your money back in the event of fraud.

What do you want to do?"

I would have expected Bank of Scotland's intervention to go further than it did here – for example it could have asked Mr A why he was making the payment and provided a more tailored warning relevant to crypto scams which were becoming increasingly prevalent at the time. But I must also keep in mind that Mr A was made aware there was a risk he could lose his money due to the action of fraudsters, but he chose to make no further steps at the time to ensure his money was safe. Had he carried out further checks at the time he may have discovered the FCA warning or at least discovered that P was not authorised by the FCA as he believed.

I'm also aware that by the time Mr A made the £5,000 payment he'd already been investing with P for several months and could see his balance increasing. While I accept scammers could well have been manipulating software to make it appear that Mr A had successful trades and increasing balances, where these didn't in fact exist, I think it would nevertheless have been persuasive to Mr A.

A proportionate intervention will not always result in the prevention of a payment. And in these circumstances, and based on the evidence I have available, I'm not sufficiently persuaded that proportionate intervention from Bank of Scotland would most likely have prevented Mr A's loss. It therefore follows that I can't hold Bank of Scotland responsible for Mr A's loss, as I don't think it could reasonably have prevented the payment from being made.

I know Mr A will be disappointed by this outcome. But for the above reasons I'm not sufficiently persuaded, from the information I've seen, that the disputed transactions were made as part of a scam or what loss, if any, has been suffered. I therefore don't think Bank of Scotland can be held responsible for Mr A's claimed loss.

On a final note, I've considered whether, on being alerted to the alleged scam, Bank of Scotland could reasonably have done anything more to recover Mr A's claimed loss, but I don't think they could. The funds Mr A sent to C went to an account in his own name, and so I wouldn't reasonably expect recovery attempts in this situation (as Mr A had access to the funds himself)."

I asked that both parties respond to me by 23 October 2025 if they had any further comments or evidence for me to consider before reaching my final decision.

Mr A responded confirming he rejected my provisional decision. He did not provide any further evidence or arguments for my consideration. Bank of Scotland did not reply.

Given the deadline for both parties to respond has now passed, I think I can fairly reach a final decision in this case.

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.

As I have received no substantive responses to my provisional decision from either party, I see no reason to revisit my conclusions in detail here, save to say that my provisional conclusions still stand.

In summary, I'm not persuaded Mr A has provided sufficient persuasive evidence to demonstrate that he has suffered a loss due to the actions of scammers. But even if Mr A could further demonstrate his loss to a scam, I'm not sufficiently persuaded that proportionate intervention from Bank of Scotland would most likely have prevented his loss.

In the circumstances I can't hold Bank of Scotland liable for a loss it could not reasonably have prevented.

While I'm sorry to hear that Mr A believes he has lost money to a scam, I don't find there were any failings on Bank of Scotland's part that would lead me to uphold this complaint.

My final decision

For the reasons given above, my final decision is that 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 21 November 2025.

Lisa De Noronha
Ombudsman