

The complaint

A company which I'll refer to as 'M' complains that Clydesdale Bank Plc (trading as Virgin Money) won't refund the money it lost as the result of a scam.

The complaint is brought on M's behalf by one of its directors, Mr T. Mr T is represented throughout by Mr B, but for ease I'll refer to M or Mr T throughout.

What happened

Both parties are aware of the circumstances of the complaint, so I won't repeat them all here. But briefly, in October 2023, M received an email from an existing supplier's email address regarding a shipment of goods and requesting payment of an outstanding invoice. On 23 October 2023, M received a follow up email about the invoice. However, although it wasn't identified by M at the time, the email address differed in spelling and the .com address to the supplier's legitimate email address and was from a scammer. This invoice attached to the email from the scammer provided new bank details for the supplier. On 30 October 2023, M made a payment of €106,577.76 from its bank in Turkey to a Clydesdale account in the UK which it thought belonged to the genuine supplier.

On 3 November 2023, M realised it had been the victim of a scam, and its bank contacted Clydesdale and requested the return of its funds. However, Clydesdale said that only £22.32 remained in the account of the £91,648.26 which had been received. The bank also said it had attempted to recall the transfers made by its account holder, but no other funds could be recovered. M complained to Clydesdale as it thought that the bank had allowed a scammer to open an account and it should have identified that the payment from M was for a different payee.

Clydesdale didn't uphold the complaint. It acknowledged M's report of fraud being committed but said that it couldn't provide any details of its account holder. Clydesdale also said it was satisfied that it had taken the appropriate actions with regards to the opening and handling of the account. M didn't think this was fair and asked our service to look into its complaint.

Our investigator recommended the complaint be upheld. He thought that M and Clydesdale had both been responsible for the loss caused as a result of the fraud. He thought that the email correspondence with the fraudster should have raised concerns with M, but he also thought that Clydesdale should have had concerns about the recipient account and acted sooner. So, he thought the fairest resolution was for both parties to take responsibility for 50% of the loss. He also recommended that Clydesdale pay M interest at 8% simple on the recommended award from the date the payment was received to the date of settlement.

Both parties disagreed with the investigator's opinion and asked for an ombudsman to review the complaint. Clydesdale didn't think that payment from M should have flagged as suspicious and M didn't think it should have identified the change in account details was unusual. As an agreement couldn't be reached, the complaint was passed to me to decide.

I issued a provisional decision on 17 September 2025. I said the following:

"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 decided to uphold it for broadly the same reasons as our investigator.

Clydesdale has an ongoing obligation to be alert to various risks in relation to accounts with it, and it is expected that Clydesdale conducts its business with due skill, care, and diligence. There is also an expectation that Clydesdale has systems in place to look out for unusual transactions or other signs that might indicate that its accounts are at risk of fraud.

It is a commercial decision that Clydesdale is able to make on how it chooses to meet its legal and regulatory obligations to prevent its accounts being used for fraudulent purposes. It is also Clydesdale's decision on how it chooses to strike the balance between allowing its customers to transact business and questioning transactions to confirm they are legitimate. Here, it is alleged that Clydesdale didn't do enough to prevent a loss which resulted from an authorised push payment scam which caused a loss to M. So, I need to decide based on the evidence from both parties, whether Clydesdale could and should fairly have done more to prevent the loss.

Clydesdale has provided information to our service to allow us to investigate M's complaint. I am limited as to how much information I can share because it relates to a third-party account. But I'd like to assure M that I've carefully reviewed everything before reaching my decision.

Clydesdale's actions prior to the arrival of any payments from M

Clydesdale is required to verify the identity of its account holder, and it has told us it is satisfied it did this. It has also said that there was nothing provided by its account holder at the time of opening the account that reasonably could have put it on notice that the account was going to be used later to receive misappropriated funds.

I'm satisfied Clydesdale did all it should and conducted appropriate checks prior to opening the account. There was a potential cause for concern in relation to the business address provided when opening the account, and I think Clydesdale should've done more to question this. But given the circumstances of this case, and the information received from the account holder when Clydesdale asked further questions about the business, I think it's more likely than not that the account holder would've provided reassurances such that it wouldn't have been unreasonable for Clydesdale to have opened the account.

Clydesdale's actions after having received payments from M

So, I've gone on to consider whether anything that reasonably could've been expected of Clydesdale in response to the activity on the account which would've meant M's funds would've been available for recovery.

Clydesdale said that it wasn't required to undertake manual monitoring or check incoming payment details. I'm not suggesting Clydesdale ought to have carried out manual monitoring or that it should be checking all incoming payment details before crediting payments to its customer's accounts. But it should be monitoring its accounts for suspicious activity.

After Clydesdale opened the account for its account holder, there were some small

transactions made to and from the account by the account holder. For the three months following the account being opened, the transactions through the account were generally for a maximum of £600 and were to and from the account holder's own business or personal accounts. Then M's payment of £91,648.26 was received, however Clydesdale told us that this payment didn't flag for further checks. I don't think this was reasonable.

I say this because the payment was significantly more than previous transactions, and it was a EUR transfer payment when all other payments were in GBP. I think this payment ought to have been suspicious and out of character enough for Clydesdale's account holder that it ought reasonably to have undertaken further checks on the payment. Had it done so, I think Clydesdale would likely have had concerns about the funds which had been received. I say that because when Clydesdale opened the account, its account holder said they would be only expecting GBP payments, and the nature of the business was providing services within the UK. Furthermore, had Clydesdale reviewed the payment it received it would have identified that the beneficiary's name on the payment didn't match its account holder name.

Therefore, based on the evidence available I'm not persuaded that if Clydesdale had asked its account holder for further information to show they were entitled to the funds, that the account holder would have been able to provide some form of supporting documentation to satisfy its enquiry. So, I think under the circumstances it would have led Clydesdale to ring fence M's payment whilst it undertook further enquiries. Had Clydesdale done so, I think it's likely that the funds would still have been available by the time it was contacted by M's bank for recovery of the funds on 3 November 2023. Instead, the majority funds received from M had been removed from the account by 2 November 2023, with the last £1,0000 being withdrawn on 3 November 2023 before the fraud notification was received. So, I think Clydesdale missed an opportunity here to prevent the financial loss caused to M.

Should M bear some responsibility for its loss?

For completeness, I've also considered whether M should bear some responsibility for its loss due to any contributory negligence. Looking at the emails which M received from the scammer it believed to be its supplier, I think there were some changes that ought reasonably to have alerted M that something wasn't quite right. I say that because I can see the email address from the scammer is quite different from the correct supplier address. The authentic contacts name is spelt incorrectly, and the email address is much larger ending in @mail.com rather than the suppliers name.com. There was also a change in the formatting of the email structure which changed from German wording to English.

Furthermore, M told us that it's had a relationship with its supplier for several years and held its bank details on record. However, upon receipt of the invoice which had been amended by the scammer, the font and formatting of the bank details didn't match, and the bank details had been changed to a UK bank, despite the supplier not being based in the UK. I also haven't seen that there was any suggestion from the supplier that their bank details had changed for any reason. So, I think there were enough red flags here that ought reasonably to have alerted M that something wasn't quite right and it needed to take action, such as calling the supplier to check why the account details had been changed. Had it done so, I think it's likely the supplier would have confirmed they didn't change their account details, and M wouldn't have made the payment. Therefore, I think that M should bear some responsibility for its

loss, and I think that the fairest resolution to M's complaint is that Clydesdale and M share equal responsibility for the loss incurred.

Putting things right

I'm satisfied that both parties had the opportunity to prevent M's loss and therefore should share equal responsibility for the loss incurred.

To put things right I think Clydesdale should refund M 50% of the loss of £91,648.26. I acknowledge that M's payment was made in EUR, however the funds were credited to Clydesdale's account in GBP and as the payment would always have credited this account before any check was undertaken by the bank, there would always have been some change in the amount which was sent and received due to the currency conversion rate. Therefore, the fairest resolution for both parties is to use the amount which credited the Clydesdale account in GBP.

Clydesdale should also add annual interest at 8% simple from the 3 November 2023 when it was notified of the scam to the date the funds are returned, to reflect the time that M has been deprived of the use of those funds".

I invited M and Clydesdale to give me any more evidence and information they wanted me to consider before issuing my final decision. M remained of the opinion that it was entitled to a larger reimbursement, but it accepted the decision to bring the matter to a close. Clydesdale didn't respond to say whether it accepted the decision or had anything further to add.

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, as M responded to say it accepted the decision and had nothing further to add and Clydesdale hasn't responded with any further information, I see no reason to reach a different conclusion. So, this final decision confirms the findings set out in my provisional decision.

My final decision

My final decision is that I uphold this complaint. I direct Clydesdale Bank Plc to refund M 50% of the loss of £91,648.26 and add annual interest at 8% simple from the 3 November 2023 when it was notified of the scam to the date the funds are returned.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 23 October 2025.

Jenny Lomax
Ombudsman