

## **The complaint**

Mr A complains that Clydesdale Bank Plc trading as Virgin Money are refusing to refund him the amount he lost as the result of a scam.

Mr A is represented by a firm I will call "W".

## **What happened**

In June 2024, Mr A came across an advert online promoting an investment opportunity. After completing a form, Mr A was contacted by a representative of a company, who I will refer to as the scammer. Mr A carried out some research and following that, decided to invest.

Mr A sent funds from his Virgin Money account to different accounts held in his own name. He also sent money to a cryptocurrency platform. Initially Mr A saw a profit being made, and it was only when he wanted to withdraw funds that he experienced issues, with the scammer telling him he needed to pay various different fees. It was then he realised he had been scammed.

W complained to Virgin Money on behalf of Mr A, who said that the payments were not covered as they had been made to accounts in Mr A's own name. While they were able to recover a chunk of the money lost by Mr A, they weren't willing to reimburse anything more.

Mr A remained unhappy and so W referred his complaint to our service. Our Investigator looked into the complaint, along with two others connected to it, and ultimately found that while Virgin Money could have done more to try and stop the scam from progressing, he didn't think any further intervention would have worked.

He explained that in addition to Virgin Money, other providers had also intervened and Mr A had misled them when talking about payments and what they were for. As Mr A was so heavily reliant and under the spell of the scammer, our Investigator didn't feel any further intervention would have been successful in uncovering the scam. He noted that when Mr A wasn't able to send money with one provider, he tried another, meaning it was more likely that had any further intervention taken place, he would have continued to mislead, or would have found another way to make the payments.

W disagreed and so the case has been passed to me for a final decision.

## **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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this, and it simply reflects the informal nature of our service as a free alternative to the courts.

When deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where the evidence is incomplete or missing, I am required to make my findings based on the balance of probabilities. In other words, what I consider is most likely to have happened given the information available to me.

As a starting point in this case, Mr A doesn't dispute that the payments were made in line with his instruction to Virgin Money to make them.

In broad terms, the starting position at law is that a firm such as Virgin Money is expected to process payments and withdrawals that a customer authorises them to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

That means in the first instance Mr A is presumed liable for the payments. Virgin Money would not ordinarily have any responsibility for a loss incurred through the payments – provided they carried out the instructions correctly. And here, there is nothing that leads me to believe they didn't do so.

I'm really sorry that Mr A has lost such a large sum of money, but this doesn't automatically entitle him to a refund. It would only be fair for me to tell Virgin Money to reimburse Mr A if I thought they reasonably ought to have prevented the payments, or they unreasonably hindered recovery of the funds.

#### *Prevention*

Businesses have various and long-standing obligations to be on alert for fraud and scams and to act in their customers' best interests. So, a first consideration in determining Virgin Money's obligations here would normally be: should they ought reasonably to have held any suspicions or concerns in relation to the payments, and if so, what might have been expected from a proportionate intervention.

In this case, I'm satisfied Mr A authorised the relevant payments, and as explained above, Virgin Money would generally be expected to process payments a customer authorises them to make.

That said, as a matter of good industry practice, they should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual, uncharacteristic or suspicious transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect a business to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

In this case, having considered the circumstances of the payments Mr A made, I agree that while Virgin Money did intervene on four of them, they could have also intervened further on another of the payments made on 17 October 2025, given it was the third larger payment being made in one day. I also feel Virgin Money could have probed further at times when questioning Mr A.

But for me to find it reasonable that Virgin Money should refund the payments requires more than me finding that they should have intervened/probed further. This is because legitimate payments can also be large, which doesn't always mean the money is being lost to fraud or a scam.

For me to ask Virgin Money to refund the payments, I would need to be satisfied that not only did they fail to intervene sufficiently, but had they intervened in a way that we would expect, the loss would have been avoided.

So, as I have touched on above, I have thought about whether appropriate further intervention or further questioning would likely have made a difference. Ultimately, I don't think any further intervention by Virgin Money would have made a difference or prevented the payments from being made here. I will explain why.

The investment wasn't one that Virgin Money were recommending or endorsing. Their role was to make the payments that Mr A asked them to make, as he had already made the decision to invest, based on what he had been told and the research he had carried out before making the payments. And while there are now concerns about who he invested with, I must consider what Virgin Money could have established, had they spoken to Mr A further about his payments at the time they were made. Ultimately, I don't think I can fairly say that they would have been able to give Mr A any information that would have led him to doubt what he was doing.

I can see that Virgin Money did intervene on some of the payments made. They spoke to Mr A a few times, where he misled them with the answers he gave to their questions. During a call on 26 August, when asked about a payment he was making, Mr A said that nobody was coaching him, that he was paying for building work to be carried out, that the company was legitimate and that he knew them personally, and that he didn't find them on social media. Mr A also said most of the work had been carried out and that he would obtain an invoice.

On 25 September during another call, Mr A said he was paying one of his own accounts, not an investment one, that the firm was legitimate, and that he hadn't downloaded any apps or software. On 16 October, Mr A said he was making a payment as he was looking to buy a property abroad, and on 29 October, he said he was making a payment to purchase educational software. In a call made on 30 October, Mr A once again said he was making a payment as he was looking to buy a property abroad.

Considering the intervention that did take place, I don't find it unreasonable that Virgin Money let the payments go through given the answers that were provided.

It is also important to remember that Virgin Money would not have been aware of what was being done on any other accounts. I can only assess what each business knew about the activity on the accounts they held for Mr A at the time.

It is also worth noting that Mr A looks to have been heavily influenced by the scammer. I have read through the conversations that took place and can see that Mr A placed a high level of trust in the scammer and followed their instruction. Mr A followed the scammer's guidance on how to make the payments, he gave the scammer full access to his system via a remote access application, and made sure he always waited for the scammer's guidance before doing anything. I therefore find it most likely that even if Virgin Money had intervened further, Mr A would have proceeded with the payments, and even if they had stopped the payments he was making, I believe it is most likely he would have found another way to make them.

I say this because Mr A has complaints set up with other providers, who he also used to make payments to the same scammer. These providers also intervened, and Mr A provided misleading answers to what he was being asked.

While making payments through a provider I will call "R", Mr A was asked whether anyone was telling him what to say or assisting him with payments. He said no, and that he was completing the transactions by himself. He also could have told R that he was moving funds to an investment account, but instead chose a different reason, and he also said he hadn't been asked to download any software. When asked if he'd also recently opened any other online accounts, including investment account and platforms, he said he hadn't.

During a live chat with R, Mr A also said he wasn't planning on sending the funds anywhere else once they reached his cryptocurrency platform. Mr A's account with R was later

restricted and then closed on 27 September. Following this, Mr A proceeded to make payments via other providers.

Mr A also made payments with a provider who I will call "S". When S intervened on one payment, Mr A said he was making a payment for an invoice towards a company which was helping build services for a business project, and the payment was for a business relationship. Mr A was asked to provide an invoice, and he provided one. Because of this, S allowed the payment to go through. When Mr A attempted another payment a few days later on 28 October, S deactivated his account, and an email was sent letting Mr A know the closure was because he was at high risk of being scammed.

So having considered everything in detail, while I believe Virgin Money could have possibly done more, I'm not persuaded they were at fault for carrying out the relevant payment instructions, or for not preventing Mr A from making the payments. I say this as I don't believe any further intervention would have made a difference, given the level of control the scammer held over Mr A, and the lengths he went to in order to get the payments through with Virgin Money, but also multiple other providers.

### *Banking Protocol*

I appreciate W feels Virgin Money should have invoked the banking protocol – which is where branch staff can alert the police in instances where they believe customers are falling for scams. But I don't consider they would have been concerned enough to have sent Mr A to branch for that purpose here, as they were satisfied he wasn't at risk following the checks carried out. I've found that to be reasonable in the circumstances, for the reasons I've set out.

### *Recovery*

I've also looked at whether Virgin Money took the correct steps once Mr A contacted them to dispute the payments.

I'm satisfied that they did what they could to recover the funds once they were aware of the scam – and can see they were able to retrieve over £12,000 of what Mr A had paid out of his account.

Unfortunately they were unable to recover anything further, which is usually the case when payments are made to cryptocurrency platforms and then moved on.

Having carefully considered everything overall, I don't find that Virgin Money could have reasonably prevented the loss Mr A incurred. In saying this, I don't underestimate the impact on Mr A as he has lost such a significant amount of money which has left him in a vulnerable position. I am really sorry he fell victim to such a cruel scam – he is not at fault here, the scammer is. However, it is simply the case that I don't consider I can fairly and reasonably hold Virgin Money liable for his loss.

### **My final decision**

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 23 March 2026.

Danielle Padden  
**Ombudsman**