

The complaint

Miss S complains about Bank of Scotland plc (BoS) refusing to refund her the amount she lost as the result of an investment scam. Miss S is represented in this complaint, but I'll refer to her as it's her complaint.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

After an introduction from 'a friend of a friend', Miss S received promotional material from a finance academy, which I'll call Company A, about a cryptocurrency hedge fund investment scheme (a scam) which I'll call Scheme H.

Miss S did some research, thought Company A was reputable and undertook online training with them. She was taught how to invest and how much to transfer. She trusted Company A and was attracted by the investment scheme as it had a 5% guaranteed return plus bonuses.

Miss S decided to make payments to Scheme H via Company A, and make payments from the accounts she held in her name with:

- Company B – A cryptocurrency exchange
- Company S – A company which offers cryptocurrency services but is not a dedicated cryptocurrency exchange

In a four-month period, between 4 February 2022 and 23 May 2022, Miss S made 63 payments totalling £26,992.31 from her BoS bank account to Company B and Company S. However, £12,919.47 of this total was paid into her BoS account by friends as she was *'investing on their behalf'*.

Miss S did receive some money back from the investment, however, when she asked to withdraw the money she had invested, she was unable to do so. After several attempts she realised she had been scammed.

Miss S complained to BoS saying that any warnings that she may have received from them were neither sufficiently clear nor impactful enough to protect her from financial harm as she was inexperienced. Miss S feels that BoS should've protected her from the scam. So, she asked them to provide a full refund under the CRM code, together with 8% interest and pay her £1,000.00 compensation.

BoS didn't uphold her complaint. There reasons included the following points:

- They hadn't made any mistakes.
- They regularly monitor banking activity and found the payments Miss S made weren't unusual or out of character for them to intervene.
- Miss S could've done more to protect herself, such as:
 - Checking with the Financial Conduct Authority (FCA) who in March 2021

issued a warning about Scheme H.

- Undertaking independent checks on the training company.
- Seeking regulated financial advice.

Miss S brought her complaint to our service. However, our investigator didn't think any of the payments would've stood out as indicators that Miss S was at risk of financial harm and couldn't see that BoS had done anything wrong.

However, Miss S disagreed and feels BoS should've intervened, pointing out that:

- Miss S's regular monthly payments didn't exceed £1,000.
- The £2,000 payment (number 24 in the above table) ought to have triggered a warning.

Our investigator responded saying this still wouldn't have stood out as Miss S had made five payments over £1000 and the following three over £2000 between February 2021 and January 2022:

- £3,000 on 8 February 2021, £10,000 on 30 July 2021 and £4,672.50 on 18 January 2022.

As Miss S remains dissatisfied her complaint has been referred to me to look at.

I issued a provisional decision on 13 May 2025 and in this and subsequent correspondence I said:

- I'm very sorry to hear that Miss S and her friends have been the victims of a cruel scam and lost a significant amount of money here.
- In making my findings, I must consider the evidence that is available to me and use it to decide what I consider is more likely than not to have happened, on the balance of probabilities.
- Although BoS is a signatory of the Lending Standards Board's Contingent Reimbursement Model (the CRM Code) which requires firms to reimburse customers who have been the victim of a scam in most circumstances, I'm satisfied this code doesn't apply here. This is because Miss S wasn't paying 'another person'.
- I would've expected to have seen some intervention from BoS here, in the form of:
 - Automated warnings from the first reasonably large payment to Company B which would include information on scams involving cryptocurrency
 - A call with a representative to probe the transactions
- If BoS had stepped in and asked the above probing questions then, on balance, I think she'd have been upfront about what she was doing, and the scam is likely to have been unravelled. However, I'm not persuaded she did sufficient research here, as there was easily obtainable information about Scheme H on the internet and the FCA website.
- To put things right:
 - I don't think it would be fair and reasonable for BoS to provide Miss S with a full refund of her payments. This is because of the above-mentioned contributory negligence by Miss S.
 - I didn't think a £1000 compensation payment was appropriate, as Miss S's distress has been caused by the cruel scammer rather than BoS.
 - A fair and reasonable refund should be 50% from the eleventh payment to the scammers.

- To make a refund requirement, I required:
 - Contact details of all the friends so they could be made aware of the redress.
 - Evidence showing the purpose of the payments and agreements she made with other parties.

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.

Further to the above, although Miss S subsequently obtained and provided most of the contact details; despite giving her a significant amount of additional time, she hasn't provided the required evidence to show how she was using her bank account, including in connection with the scam, and the agreements she had in place with third parties who were paying her.

Miss S said:

- *'The agreement I had with them was the same as the one presented to me at the time'.*

Miss S has previously spoken about '*bonus opportunities*' if she '*referred people*', however, I can't see or confirm that this is the arrangement here.

Although I'm very sorry that Miss S has been a victim of a scam, due to the involvement of other people and on the basis that Miss N hasn't provided the required important evidence of the financial agreements she made with these people when using her bank account, I can't safely uphold this complaint.

My final decision

For the reasons mentioned above, I'm not upholding this complaint.

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

Paul Douglas
Ombudsman