

The complaint

Mrs S complains that Bank of Scotland plc (“BOS”) won’t refund the full amount of money she lost to a scam.

What happened

Mrs S says she sent several payments to what she thought was a task-based job. When Mrs S didn’t get the returns she was promised, she realised she had been scammed. So, she logged a complaint with BOS.

BOS looked into the complaint but didn’t uphold it. So, Mrs S brought her complaint to our service.

Our investigator looked into the complaint but didn’t uphold it. She found BOS intervened and spoke to Mrs S when she made some of the payments, but Mrs S wasn’t accurate with her responses – so she didn’t think the payments or scam could have been prevented.

As Mrs S remained unhappy, the complaint has been passed to me to decide.

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 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 focused 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’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. This simply reflects the informal nature of our service as a free alternative to the courts.

I don’t doubt Mrs S has been the victim of a scam here – she has lost a considerable sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mrs S is automatically entitled to recompense by BOS. It would only be fair for me to tell BOS to reimburse Mrs S for her loss (or a proportion of it) if: I thought BOS reasonably ought to have prevented all (or some of) the payments Mrs S made, or BOS hindered the recovery of the payments Mrs S made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I’ve thought carefully about whether BOS treated Mrs S fairly and reasonably in its dealings with her, when she made the payments and when she reported the scam, or whether it should have done more than it did. Having done so, I’ve decided to not uphold Mrs S’s complaint. I know this will come as a disappointment to Mrs S and so I will explain below why I’ve reached the decision I have.

I have kept in mind that Mrs S made the payments herself and the starting position is that BOS should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Mrs S did not intend for her money to ultimately go to fraudsters – but she did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the 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 - BOS should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

So, I've thought about whether the transactions should have highlighted to BOS that Mrs S might be at a heightened risk of financial harm due to fraud or a scam.

I do not think the values of payments one to ten were remarkable enough to have caused BOS any concern. Nor do I consider enough of a pattern formed here to suggest Mrs S might be at a heightened risk of financial harm due to fraud or a scam. The payments didn't reach a value that looked out of place amongst Mrs S's usual account behaviour and they were also going to accounts in her own name with other banks – rather than direct to a high-risk merchant or third party. So, I'm not persuaded BOS reasonably ought to have been concerned about these payments.

Payment 11 of £6,788.36 was of a value more significant than Mrs S's normal account usage. Therefore, I'm satisfied that BOS ought to have been concerned Mrs S could be at risk of financial harm and intervened.

Thinking about what a proportionate intervention would have looked like, based on the value of the payment and the identifiable risk at the time, I'm satisfied BOS ought to have given Mrs S an automated series of questions to get a better understanding of the payment purpose. Based on the answers Mrs S gave; BOS should have then followed up with a relevant warning. Here though I don't find it would have stopped Mrs S making the payment, I'll explain why.

BOS did intervene twice and spoke to Mrs S. When questioned, Mrs S wasn't accurate with the true purpose of the payments. She first said she was buying goods from a friend, then that she was sending holiday spending money to her other account. Although Mrs S wasn't forthcoming with the reason she was making the transfers, she was still given warnings relevant to the scam she was falling victim to. As Mrs S was sending money to other account in her name, the BOS advisors had little information other than what Mrs S was telling them. Mrs S also said she was using other banks to make the payments due to the ease of

sending money between friends – which in my view would have seemed plausible at the time to the BOS advisor.

The BOS advisor was also alerted to the fact Mrs S might have screen sharing software on her phone, but Mrs S gave a plausible and persuasive story that alleviated the BOS advisors' concerns.

Therefore, due to the reasons I have outlined above, I am not persuaded BOS ought to have done more and due to this that it couldn't have prevented Mrs S's losses.

Mrs S has mentioned having a vulnerability that made her more susceptible to the scam. I am sorry to hear of the challenges Mrs S is facing. I have considered this point carefully, but I've not seen any information to show BOS were aware of this until after the scam.

Recovery

As the money went to other accounts in Mrs S name, no recovery would be possible by BOS. If any money remained in those accounts, Mrs S would be able to recover it herself.

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask BOS to reimburse Mrs S's loss.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 13 February 2026.

Tom Wagstaff
Ombudsman