

The complaint

Z, a trust, complains that Handelsbanken plc failed to protect them from sending funds to a fraudster. They'd like their losses refunded to them.

Z is represented by Mrs C, a trustee.

What happened

In April 2023 Z was looking to move £70,000 for investment purposes and arranged to make a payment to their IFA. Initially they sent cheques from their Handelsbanken account, but the bank returned them unpaid when they couldn't get in contact with Mrs C to confirm the instruction as genuine.

Mrs C then received details of the IFA's account by email, and she arranged a CHAPS payment from the Handelsbanken account over the phone. The payment was held, and Handelsbanken spoke to Mrs C to confirm the instructions and asked where she had received the payment details from. After this the payment was made.

But when Mrs C contacted the IFA in July 2023, she was told they hadn't received the funds. It came to light that the email had been intercepted by a fraudster, and the money paid to a fraudulent account. Only £1.07 remained to be returned.

Mrs C complained to Handelsbanken on behalf of Z. The bank responded to say that they didn't think they were liable for refunding Z's losses, as they had asked questions about the account details before processing the payment.

Dissatisfied with this Mrs C referred Z's complaint to our service. One of our investigators looked at what happened, and she thought the complaint should succeed. She found that it was likely the fraudsters had been impersonating Mrs C to Handelsbanken and attempting to access Z's funds directly. She thought this should have come to light on the call Mrs C had with Handelsbanken, and reasonably they should have probed this further before agreeing to make the payment. And she felt if they had done so, and Mrs C been told to contact her IFA directly, the scam would have been prevented.

Our investigator thought there may be other parties at fault, so the reasonable outcome would be for Handelsbanken to pay 50% of the outstanding losses, plus the interest that they could have received from the investment.

This was accepted by Mrs C. But Handelsbanken disagreed, saying they felt Mrs C has agreed she had confirmed the payment details verbally with the IFA, and had authorised the payment. They felt her intention at the time to make the payment was clear and didn't see that more detailed questioning would have changed the outcome. The investigator remained of the opinion that the intervention by Handelsbanken wasn't sufficient, and they had bypassed the indicator that Z's account was being targeted by fraudsters.

As no agreement could be reached the complaint was passed to me to decide. Upon review, I reached the same conclusion as the investigator, but my suggested redress was different. I issued a provisional decision that said:

There isn't any dispute here that the payment from Z's account was set up and authorised by Mrs C, and Handelsbanken processed the payment in line with the instructions she provided. So, under the relevant regulations – the Payment Services Regulations 2017 – Handelsbanken would be expected to process the payment instruction promptly. There's no specific obligation after this point to refund Z if the payment later turns out to be made to a fraudster, as has happened here.

But Handelsbanken, like all regulated financial businesses in the UK, have obligations to monitor accounts and payment activity for signs of financial harm – such as money laundering or fraud. Where a payment is identified as particularly high risk then it would be reasonable Handelsbanken to carry out a proportionate intervention before processing the payment.

Here, we know that Handelsbanken considered the payment to be unusual enough that they did hold it to discuss with Mrs C – as they had done so with the cheque previously. So, the question for me is whether this intervention was proportionate.

Overall, I don't think it was. Handelsbanken have said that Mrs C said she had verbally confirmed the payment details with the recipient. But having reviewed the call, I'm not persuaded that she did – the answers she gave to this question are not clear. She appears to primarily discuss her relationship with the IFA, rather than how the payment details were received, or whether she has taken any further steps to verify them. There wasn't a reasonable level of probing by Handelsbanken on this point.

And during this call it becomes clear that Handelsbanken had received emails from someone purporting to be Mrs C, to set up another individual to make payments from the account. Mrs C is understandably shocked and confused by this. I think this should have prompted further action by Handelsbanken – at this point it's clear that Z's accounts were being targeted by fraudsters.

It would have been reasonable for Handelsbanken to be particularly cautious about the payment request. There was clear evidence of attempted fraud on the account. It would have been reasonable to decline to process the payment until Mrs C had spoken to the IFA to confirm the payment details – which is the question they asked and didn't receive an answer.

I'm not persuaded here that the intervention by Handelsbanken was particularly effective or proportionate to the risk. And this was ultimately a missed opportunity to prevent Z's losses to the scam. On that basis I'm satisfied that it would be reasonable for them to accept liability for Z's losses.

I've considered whether Z should also share any liability – through any contributory negligence on Mrs C's part. But here I'm not persuaded that would be reasonable. She had attempted to make the payment based on the instruction received. There's nothing considerably alarming about the email, as it broadly matches the tone and wording used in genuine emails. And Mrs C was expecting to make this payment for the purposes of Z's investments. So, overall I don't see that she has been particularly negligent in agreeing to this payment.

I see that it would be right for Handelsbanken to refund Z for the losses they've suffered.

However, I've also considered Z's linked complaint about the receiving bank's actions, in which I've found they failed in transaction monitoring and could've prevented £60,712.59 of Z's loss.

So given both Handelsbanken and the receiving bank have failed in the same regard (transaction monitoring) I think it's fair and reasonable that the sum of £60,712.59 that both could've prevented is apportioned with each paying 50% - £30,356.30. I also see that it would then be appropriate for Handelsbanken to cover the remainder of Z's loss above this, for a total of £39,642.63.

In terms of the interest, I understand the product Z were intending to invest it had variable return rates and involved splitting the funds up to get the best returns. So, it's unlikely that I'll be able to put an exact figure on it. But I note the IFA was originally suggested an interim rate of return on 1.8%, which doesn't seem unrealistic or unachievable to me. And it would seem to be unrealistic to be able to reconstruct all the investment decisions Z may have made with this money in the time. So, I would suggest this interim rate is the rate used.

This outcome was accepted by Z and Handelsbanken.

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 glad both parties could agree with the outcome provided. I remain satisfied with the conclusions from the provisional decision.

To resolve this complaint Handelsbanken should reimburse Z £39,642.63. They should also add 1.8% simple interest per annum from the date of payment to the date of settlement.

My final decision

My final decision is that I uphold this complaint and direct Handelsbanken plc to settle it, as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Z to accept or reject my decision before 28 October 2025.

Thom Bennett
Ombudsman