

The complaint

Mr D says National Westminster Bank Public Limited Company, trading as “Ulster Bank” failed to protect him from financial harm when he fell victim to a scam.

Mr D had initially appointed a professional representative who brought the complaint on his behalf. He is now representing himself, however, for ease I will simply refer to “Mr D” throughout my decision.

What happened

Mr D says he saw an advert for AI investing on Instagram and decided to invest £200. He made the initial investment as instructed on 19 March 2024 but didn’t hear anything back about this for a little while. A few months later he was contacted on WhatsApp and told that his investment profile had not yet been set up. Mr D says he was persuaded to invest more money, so he took out a loan of £5000 to do so. He paid this money into the account he was instructed to by the scammer. He believed his investment was doing well based on the information he had available on the investment platform provided by the scammer. However, when he tried to withdraw his funds he was asked to pay more money, at which point Mr D realised he had fallen victim to a scam.

A list of the payments Mr D says he made to the scammer are as follows:

Payment	Date	Method	Beneficiary	Amount
1	19/03/2024	Debit Card	Learnspread	£200
2	23/05/2024	Transfer	Mr D	£5,119.79*
3	31/05/2024	Transfer	Sohofinn24	£4,272.91

*This payment was returned to Mr D by the receiving bank the next day, minus exchange rate differences/fees of £339.44.

Ulster Bank considered Mr D’s complaint and felt it hadn’t done anything wrong. It says the first payment made was of a relatively low value, so it didn’t cause any alarm. It also tried to raise a chargeback on this payment after Mr D complained, but it didn’t receive a response to the information requested in relation to this. Ulster Bank said it spoke to Mr D prior to processing the second payment, but Mr D confirmed that it was a genuine payment going to an account in his own name for work to his rented home in Spain. So, it felt it had met its responsibilities, and it was fair that Mr D had been held liable for the loss.

Our investigator considered this complaint and also felt that Ulster Bank had met its responsibilities to Mr D, and it shouldn’t be held liable for any of the money Mr D lost because of this scam. Mr D wasn’t happy with this outcome, so the complaint 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.

It is not in dispute that Mr D authorised the payment transactions in this matter. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms/banks – such as Ulster Bank – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

Mr D has provided some evidence of the scam which he says took place. He has provided a copy of WhatsApp chats between himself and his "portfolio account manager". Mr D says there was an online portal which he could log into to monitor his investments; however, this has not been provided. I've also not been provided with evidence of the initial material on Instagram which attracted him to initially invest. However, having read the chat history and Mr D's testimony, and on the basis that Ulster Bank have not disputed the fact that a scam took place, I've decided to continue my decision on the basis that it's likely a scam did take place.

So, I have firstly considered whether Ulster Bank should've identified that Mr D was at risk of potential harm.

Should Ulster have recognised that Mr D was at risk of financial harm from fraud?

As listed above, the initial payment made was a card payment for £200. This amount is not significantly out of character for Mr D's account, having reviewed his statements for the six months prior. So, as there is nothing unusual or suspicious about this first payment, I can't say I would've expected Ulster Bank to have intervened before allowing Mr D to make this payment.

However, the second payment made was a transfer to an international account. This is a significantly higher payment than any other payment in the last six months, and to a new beneficiary's bank details. The account does appear to be in Mr D's name but as he had never made a payment to this account previously, and the sum was out of character for his account, I would expect Ulster Bank to intervene before allowing Mr D to make such payment.

The evidence provided shows Ulster Bank did intervene here and called Mr D on 23 May 2024 before allowing payment 2 to be processed. Mr D didn't answer but called back and spoke to Ulster Bank's fraud team. I've listened to this call, and I've heard Ulster Bank's agent asked probing questions about the beneficiary account and how this was set up – to which Mr D said he had recently set up the account himself online. The agent asked if Mr D had recently taken out a loan with it, and what this was for. Mr D says the loan was for home improvements for a rented apartment in Spain. The agent also asked further probing questions about Mr D's recent account activity and questioned why the loan had been taken out. Mr D confirmed no one else had coached him or persuaded him to take out the loan or to move the money to another account in Spain.

So, I think the intervention by Ulster Bank was appropriate and during the call I think it asked probing questions about the payment. However, Mr D provided misleading information which meant that it was unable to uncover the scam that was taking place. The call ended but no actual scam warning was given. But even if she had ended the call with a scam warning, I don't think it would have made a difference here. I'll explain why.

Mr D had already been asked several questions about the payment he was attempting and whether he was speaking to someone else regarding this. So, Mr D had opportunities to be open about the scam and who he had been speaking to. Instead, Mr D repeated the information he had been fed by the scammer to Ulster Bank regarding the loan purpose. Also having read the WhatsApp chat between Mr D and the scammer, he thanks the scammer many times for her efforts in investing his money and he seems convinced that he was making substantial gains. There is also evidence that he was trying to convince another friend to also invest as he believed it was such a good opportunity. So, I think Mr D was under the scammer's spell at this time, and I don't think a scam warning on the phone would've made a difference to his decision to make this payment.

Should Ulster Bank have exercised further interventions in relation to Mr D's other payments?

I have then gone on to consider whether Ulster Bank should've intervened again in this series of payments, and whether this would've made a difference. The last payment made as part of the scam Mr D has complained about was a payment to a new international beneficiary for £4,272.91, a few days after payment 2. Had this payment been made to the same beneficiary as payment 2, I would not have expected this to flag any concerns.

However, this was again made to a new international payee and for an amount that was out of character for his account. But I have kept in mind that Ulster Bank had recently spoken to Mr D about a payment for a higher amount and was satisfied that Mr D had made that payment himself. So, I think a written warning that broadly covered scam risks would've been an appropriate intervention at this point. Ulster Bank didn't intervene before this payment was made, but even if it had I don't think this would've made a difference. And I'll explain why.

Having looked closely at the WhatsApp chat between Mr D and the scammer in the days leading up to this payment, it seems Mr D was very impressed with his investment and really believed that his investment was making a return. It also seemed like he was keen to make the next payment to increase his investment amount. The scammer provided him with an explanation to give Ulster Bank if the payment was questioned, and just as Mr D followed these instructions during his previous contact with the bank, I think he would've done the same thing had it intervened again. I think it is unlikely any scam warning would've caused Mr D to do anything differently because, as I have said above, I think he was fully convinced he was making a good return and that the investment was genuine. I also don't think he would've provided honest information about the payments being made, for the reasons outlined already, so I don't think Ulster Bank would've reasonably been able to uncover the scam.

So overall, even though I think Ulster Bank should've intervened with payment 3, I don't think any intervention would've made a difference.

Recovery of funds

The first payment in the series was a card payment. Ulster Bank says it tried to raise a chargeback on Mr D's behalf regarding this, but it never received the information it requested from him. It seems Mr D was unaware of this based on the information he gave on the call on 23 May 2024. However, as this was a card payment and the only suitable recourse is a chargeback, this is no longer possible as I believe the time has now lapsed for a chargeback request.

With regards to the other two payments. The second payment was returned to Mr D as it

seems it was rejected by the beneficiary bank. Evidence has been provided that Ulster Bank has tried to claim back the funds sent to the payee for payment 3, but at the time of writing I haven't seen any evidence that this attempt was successful. In any event, I am satisfied that the appropriate recovery has been attempted by Ulster Bank.

Overall

Overall, I don't think Ulster Bank should be held liable for the losses sustained here as I think even if it had done more to protect Mr D from financial harm, I don't think it would've made a difference.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 30 October 2025.

Sienna Mahboobani
Ombudsman