

The complaint

Mrs B complains that Yorkshire Building Society won't refund the money she lost to an investment scam.

What happened

In August 2024, Mrs B saw a fake online advertisement, from a well-known financial expert and broadcaster, about a crypto investment opportunity in which she could earn 100% profit. Mrs B believed it to be real and after clicking on the link she was contacted by a scammer.

Mrs B was persuaded to invest £295 in (fake) Company W and, under the guise of assistance, download a remote desktop application that enabled the scammer to access and control her devices from anywhere.

The scammer downloaded several apps onto her device and opened an account with Company C (a crypto company) and Firm R (a legitimate Electronic Money Institution), so they could credit Company W's crypto wallet. Mrs B made payments to Company C, Person H plus interbank transfers (when payments were stopped) from her accounts with:

- Bank H – between 8 October 2024 and 4 February 2025
- Bank N – between 17 December 2024 and 14 January 2025
- Firm R – 8 October 2024 and 20 November 2025
- Bank L – 4 November 2024 and 7 December 2025
- Yorkshire Building Society – 16 December 2024 and 20 January 2025

From her Yorkshire Building Society, which she had two accounts, she made the following five payments to Company C totalling £7,700.

Payment number	Date	Payment method	Payee	Amount
1	16/12/24		Mrs B's account with Company C	£1,500
2	17/12/24		Mrs B's account with Company C	£2,000
3	18/12/24		Mrs B's account with Company C	£1,500
4	20/12/24		Mrs B's account with Company C	£2,000
5	20/1/25		Mrs B's account with Company C	£700
Total				£7,700

Mrs B was led to believe that she'd made a profit of £40,000, which she could access anytime, and that there were thousands of other successful investors.

In December 2024, Mrs B wanted to withdraw her funds and was told she needed to pay release and licence fees. She was subsequently told her funds were being held under investigation and that she needed to pay a penalty fee. Soon after making these payments,

she couldn't access her account, and she realised she'd been scammed and lost approximately £30,000.

This financial loss has left Mrs B in a precarious position, and she raised a complaint and refund claim with Yorkshire Bank, Bank N and Bank H.

Yorkshire Building Society only offered Mrs B with a refund for payment 5 and a redress payment of £500 as way of an apology. They explained their reason for:

- Not providing a refund on payments 1 to 4 was because those payments were to another company in her name and therefore fell outside the requirements for reimbursement.
- Providing a partial £700 refund (for payment 5) and a £500 compensation payment was because, having stopped some prior payments, they missed an opportunity to have a fraud and scams conversation which might possibly have stopped her proceeding.

Mrs B rejected Yorkshire Building Society's offer. However, when our investigator considered Mrs B's complaint, she thought their offer was fair.

As Mrs B remains dissatisfied her complaint has been passed to me to look at.

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.

Having done so, although I'm very sorry to hear that Mrs B has been the victim of this very cruel investment scam and lost a significant amount of money, I'm not upholding this complaint. I'll explain why.

I should first say that:

- Although I've read and considered everything Mrs B has said, I won't be responding to every point individually. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.
- 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 balance of probabilities.
- I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply to payments where the accounts (with Company C) are under the control of the customer.
- With regards to recovery, Mrs B's funds were sent to a crypto account and then to the scammers' crypto wallet, so unfortunately there was no realistic opportunity for Yorkshire Building Society to recover them.
- The Payment Services Regulations 2017 (PSR) and Consumer Duty are relevant here.

PSR

Under the PSR and in accordance with general banking terms and conditions, banks and building societies should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with

the payer, even where they are duped into making that payment. There's no dispute that Mrs B made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank and building societies should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Building societies and banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider Yorkshire Building Society should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have systems in place to look 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 banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Consumer Duty

Also, from July 2023, Yorkshire Building Society had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Yorkshire Building Society was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Also, look out for any signs of vulnerability.

With the above PSR and Consumer Duty in mind, I considered whether Yorkshire Building Society should've recognised that Mrs B was at risk of financial harm when she made any of the four payments (not refunded).

Yorkshire Building Society didn't recognise that any of the payments were going to a crypto exchange and I think they should've. I say this because the payee sort code belonged to Bank C, who are the clearing bank for one of the largest crypto exchange companies – Company C – and the branch office identifies as Company C.

Payment 1 - £1,500

Even if Yorkshire Building Society had realised Mrs B was paying a crypto company, I wouldn't have expected them to have intervened on this first payment. This is because it isn't uncommon or illegal for their customers to make such payments and it wasn't for a particularly high amount. Also, although she didn't regularly use the account, as mentioned above, they have a careful balance to strike when deciding to intervene.

Payment 2 - £2,000

Yorkshire Building Society should've been aware that Mrs B was making payments, on two consecutive days, that were large for her account (as they now totalled £3,500) and to a crypto company. And as they also would've known crypto payments had an elevated risk due to its volatility and customers being targeted by scammers, I think they should've issued

Mrs B with a written warning setting out the risks of crypto payments and providing educational information.

Payment 3 - £1,500

This payment was the third consecutive day that Mrs B was making payments to crypto Company C, and it took her spend in three days to £5,000. The cumulative amounts and frequency were high and unusual for Mrs B. Also, by this point there was another pattern and risk that had developed for this and the previous two payments, as prior to each payment Mrs B would credit her accounts with the exact same amount. And Yorkshire Building Society ought to have been aware that scammers persuade their victims to make consecutive multistage payments to circumvent interventions.

So, prior to releasing this payment, I would've expected to have seen a human intervention to ask probing questions and to give relevant warnings and education and detect a fraud or scam.

Payments 4 - £2,000

This payment was the fourth in five days taking the total payments to crypto Company C to £7,000. Also, the same credit pattern continued. So, I also would've expected to have seen a human intervention here.

However, despite the above risk factors, Yorkshire Building Society didn't complete any analysis or consider questioning any of the above payments or have provided sufficient evidence to persuade me they intervened or that the payments weren't unusual, and it wasn't proportionate for them to intervene.

If a building society doesn't question payments that might be at risk, then it can't fulfil its duty to protect customers. I'm not saying that means it must check every payment out of its customers' accounts. But here, considering above, I believe it ought to have given warnings and contacted Mrs B to check she wasn't at risk of falling victim to fraud.

I then considered what would've likely happened if Yorkshire Building Society had intervened on payments 2,3 and 4, and whether, on balance of probabilities, this would've likely prevented Mrs B's loss.

To decide what would've more likely than not happened if Yorkshire Building Society had put in place automated and human interventions, I considered what happened when Mrs B was given automated warnings from Bank N and spoke to one of their fraud and scam agents.

I in no way blame Mrs B for being untruthful on the calls she had with Bank N and for falsely labelling her payments to avoid intervention because of the scammers' coaching. However, as she misled her bank and building society, I can't be certain what payment reason she gave Bank N when they intervened (using automation) and what warnings she saw. But I'm satisfied she would've seen some strong scam warnings and been signposted to scam information and, despite this and a very strong human intervention, she didn't take note of these and continued to make payments. So, I don't think a human intervention at payment 2 would've made a difference.

Bank N's fraud and scam agent noticed Mrs B's false labelling and when he then asked a number of probing questions, he found Mrs B's answers about the crypto investment advert and introduction, the high profit she thought she'd made and tax payments that didn't make sense, very suspicious. So, he told her he was '*almost certain*' she was being scammed and when she didn't believe him and said she would speak to professionals he blocked and restricted her account.

In the scenario that Yorkshire Building Society had known the payments were for crypto, which I think they should've, and asked Mrs B similar questions having similarly spotted falsely labelled payments, I think the same outcome that resulted from the Bank N human intervention would've happened and Mrs B wouldn't have been able to make payment 3 or 4.

However, importantly here, although I think blocking and account restriction action would've been the outcome had it been identified that the payments were for crypto and there was an effective human intervention, Mrs B, who says she felt brainwashed by the scammer, still went on to transfer funds and make payments to the scammer when Bank N did this.

When considering the dates of payment 3 and 4 and that Yorkshire Building Society wouldn't have been able to restrict the account indefinitely and Mrs B would've likely continued to make 'me to me' transfers between her accounts and payments to the scammer, even though I think there were failings by Yorkshire Building Society here, I still don't think they would've been able to have stopped her losses.

Regarding the payment 5 refund and £500 compensation payment Yorkshire Building Society made as they thought they might've been able to prevent this loss had they spoken to her. Considering Mrs B's above-mentioned actions after Bank N's intervention, I think this offer is fair.

So, having considered the above and all the information on file, although I have genuine empathy for Mrs B's financial loss and distress and I'm very sorry to disappoint her, I don't think it would be fair or reasonable to ask Yorkshire Building Society to make any further refund payment here.

My final decision

For the reasons mentioned above, my final decision is not to uphold this complaint against Yorkshire Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 4 March 2026.

Paul Douglas
Ombudsman