

## The complaint

Mr S has complained Clydesdale Bank plc, trading as Virgin Money, has only refunded half of his losses following being the victim of an investment scam.

## What happened

In 2022 Mr S was approached by a third party inviting him to make investments at an attractive rate. Mr S undertook some research into this investment company's standing and asked for advice from a professional. He understood that he wouldn't be able to access his funds for at least a year and received a contract to review.

Convinced this company was offering a proper investment opportunity, Mr S made a number of payments to both his advisor from this company and the company direct. Between July 2022 and August 2023 Mr S sent £24,758.17 in total from his account with Virgin Money.

In 2024 when Mr S understood he'd been the victim of a scam, he complained to Virgin Money. Virgin Money refunded half of Mr S's losses – £12,379.09 – under the Contingent Reimbursement Model Code as they accepted they'd not intervened in any payments Mr S made. They, however, believed Mr S's actions had contributed to his losses so they believed under the Code they could limit their refund to half of those.

Mr S brought his complaint to the ombudsman service.

Our investigator felt that Virgin Money hadn't provided sufficient evidence to show Mr S had been grossly negligent under the Code. She asked Virgin Money to refund the rest of Mr S's losses.

Virgin Money disagreed with this outcome. They felt Mr S should have been advised by the professional of the potential risk of a scam and reviewed the Financial Conduct Authority warning list where this investment company was listed from January 2023. They felt there were other red flags which Mr S ignored.

Mr S's complaint has been referred to an ombudsman.

## 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, I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

It's accepted by all parties that Mr S authorised nine separate transactions to both his supposed financial advisor and the investment company.

Virgin Money considered Mr S's original claim under the terms of the Contingent Reimbursement Model code which was in force from 2019 to 2024. This was in operation at the time of these disputed payments.

There are exceptions to making full repayment under the Code and that includes if the customer – Mr S – has contributed to what happened, as a result of their negligence. Virgin Money believes there is enough here to mean that they need only repay half of Mr S's losses.

I disagree. I have considered what Virgin Money has said as their reasoning for their decision. However, I don't think they have acted fairly. I say this because:

- Virgin Money appears to be blaming Mr S for the professional advice he received from a relative, who's also an accountant. This individual doesn't appear to have warned Mr S of the risks of a potential scam. It appears unfair to blame Mr S for the advice he received. The key here is that he undertook due diligence about the investment opportunity presented to him.
- It's certainly the case that reviews of this investment company deteriorated but at the time Mr S was making his initial investments, I am satisfied he did check their standing on review websites, and they were more positive than they became later.
- Virgin Money has argued that Mr S should have checked for FCA warnings about this company. Any warnings didn't become effective until six months after Mr S started investing. By this time Mr S had already been presented with, albeit fake, information about how well his investment was doing.
- Virgin Money has said Mr S ignored other red flags – specifically making payments to his supposed advisor using differing reasoning. He was advised to do this, and I find it slightly ironic that Virgin Money say this is a red flag despite them never picking up on this.

Mr S's representative mentioned that he'd lost about £100,000 altogether. I wanted to see what had happened to the other funds Mr S had lost, and the timing of those payments. Unfortunately these payments were made from an overseas account. Mr S's representative confirmed that he received no intervention from his other accounts either.

I don't believe there's sufficient evidence to suggest Mr S was negligent as Virgin Money suggests.

### **Putting things right**

Based on the evidence I have seen, I am satisfied that under the provisions of the CRM Code, Virgin Money should be refunding the remainder of Mr S's losses, along with 8% simple interest from the date of these payments until the date of settlement.

### **My final decision**

For the reasons given, my final decision is to instruct Clydesdale Bank plc, trading as Virgin Money, to:

- Refund £12,379.08 to Mr S; and
- Add 8% simple interest from the date of these payments until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or

reject my decision before 2 February 2026.

Sandra Quinn  
**Ombudsman**