

### **The complaint**

Miss C complains that Clydesdale Bank Plc trading as Virgin Money ("Virgin Money") hasn't refunded funds she says she lost to an investment scam.

### **What happened**

Both parties are familiar with the circumstances of the complaint, so I'll only summarise the details here.

In February 2019 Mrs C said she invested £10,000 and believed the investment was to convert properties for a local authority. Mrs C told us she would have expected an investment linked to a local authority in this way to be financially sound. She said she'd already invested in the opportunity via an account she held with another firm. Mrs C said the investment was discussed over the phone and I can see she received terms and conditions of the bonds for both investments. The evidence also suggests Mrs C received some returns on her investment.

Believing she had been scammed, Mrs C contacted Virgin Money in January 2025 to complain. Virgin Money didn't uphold her complaint, unhappy with its response she referred the complaint to the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn't uphold it.

As an agreement could not be reached, 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.

I'm sorry to hear of what's happened to Mrs C, and I understand why she feels the money should be refunded. However, I don't find that Virgin Money has acted unfairly in declining Mrs C's claim and deciding not to refund the money. I'll explain why.

I would like to say at the outset that I've considered this case on its own merits and have summarised it in far less detail than the parties involved. I want to stress that no courtesy is intended by this. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Mrs C was the victim of a scam and if Virgin Money is responsible for the loss she claims to have suffered.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. Virgin Money is expected to process authorised payment instructions without undue delay. But they also have long-standing obligations to help protect

customers from financial harm from fraud and scams. Those obligations are however predicated on there having been a fraud or scam.

Whether someone has been scammed or the matter is a civil dispute can be finely balanced. In this instance Mrs C knowingly made the payment, so it is an authorised push payment (APP). But for me to be satisfied someone has been the victim of an APP scam, I need evidence to show the customer has been dishonestly deceived about the purpose of the payment at the time it was made.

From Mrs C's testimony it's clear she believed her investment was to convert properties and I don't have anything to suggests her funds weren't used as such. Little evidence has been provided regarding how Mrs C came upon the investment opportunity, what was provided to her prior to investing or why she now believes the investment to be a scam. The evidence also suggests she received returns on her investment.

However, I don't think I need to make a finding on whether she was scammed or not to reach a fair outcome, as it doesn't make a material difference to the outcome. I'll explain why.

It could be argued that Virgin Money ought to have intervened prior to processing the payment. If they had, at the time the payment was made in February 2019 I would have expected general scam advice regarding the risks associated with investing and for Virgin Money to suggest that Mrs C carry out due diligence regarding the investment. I'm not persuaded such a warning would have prevented Mrs C from making the payment because I'm not satisfied that the investment opportunity and the circumstances around it had any of the hallmarks of an investment scam such that it would have caused either Virgin Money or Mrs C concern. I think the link to the local authority and the paperwork provided would have suggested the investment was legitimate. The evidence also suggests that Mrs C had received returns from her earlier investment for this opportunity. Additionally, the company noted on the bond certificate was registered on Companies House which would also have been reassuring to both parties. As I don't think an intervention as I've described would have prevented Mrs C from making the payment, I don't think Virgin Money is liable for Mrs C's loss.

When considering what's fair and reasonable in this case, I agree with our Investigator that the CRM code doesn't apply here as the payment predates the code's inception and it isn't retrospective.

Given the time between the payment being made and the matter being raised with Virgin Money in 2025, I don't think there was any chance of successful recovery of Mrs C's funds.

I'm sorry to disappoint Mrs C further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Virgin Money needs to refund Mrs C's money or pay any compensation. I realise this means Mrs C is out of pocket and I'm really sorry she's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint against Clydesdale Bank Plc trading as Virgin Money.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 29 December 2025.

Charlotte Mulvihill  
**Ombudsman**