

## **THE COMPLAINT**

Mr K and Mrs P hold/held an account with State Bank Of India (UK) Limited (“SBI”).

Mr K complains that SBI will not reimburse him money he says he lost when he fell victim to a scam.

Mr K and Mrs P are represented by Refundee in this matter. However, where appropriate, I will refer to Mr K solely in this decision for ease of reading, and because he made the payments concerned.

## **WHAT HAPPENED**

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Mr K says he has fallen victim to a cryptocurrency related investment scam. He says scammers deceived him into making payments to what he thought was a legitimate investment with Bibcoin. The payments in question are:

Card payments to Cro:

- Payment 1 - £0.10 (29 July 2024)
- Payment 2 - £4,995.02 (29 July 2024)
- Payment 3 - £2,500 (29 July 2024)

Fund transfers to ClearBank/Crypto.com:

- Payment 4 - £10,000 (1 August 2024)
- Payment 5 - £10,000 (2 August 2024)
- Payment 6 - £5,000 (5 August 2024)
- Payment 7 - £5,000 (5 August 2024)
- Payment 8 - £7,000 (7 August 2024)
- Payment 9 - £1,500 (7 August 2024)
- Payment 10 - £1,500 (7 August 2024)
- Payment 11 - £7,000 (8 August 2024)
- Payment 12 - £2,000 (8 August 2024)

Mr K disputed the above with SBI. When SBI refused to reimburse Mr K, he raised a complaint, which he also referred to our Service.

One of our investigators considered the complaint and did not uphold it. As Mr K did not accept the investigator's findings, this matter has been passed to me to make a decision.

### **WHAT I HAVE 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 find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

### **Key findings**

- SBI has expressed some concerns about whether Mr K has in fact been scammed. Based on the evidence before me, I think there is enough to conclude, on balance, that Mr K has fallen victim to a scam.
- Mr K's payments to Cro may have appeared as crypto in nature to SBI. However, I would not have expected this regarding Mr K's other payments, as they were made to ClearBank. I do not agree with Refundee that these payments ought to have appeared as crypto in nature. Nor do I accept the argument that any reference attached to the payments would have some bearing.
  - I acknowledge that Mr K was making crypto related payments. But that in and of itself does not mean that the transactions ought to have flagged as suspicious. Buying cryptocurrency is a perfectly legitimate exercise.
- To my mind, it is arguable that Payment 3 ought to have appeared unusual to SBI. I say this because it was a crypto related transaction, and because of Payment 3's value when taken together with Payment 2. I also take the view that it is arguable that some of Mr K's subsequent payments ought to have triggered SBI's systems as well – such as those amounting to £10,000.
- To determine the type of intervention SBI ought to have carried out regarding the payments identified, I have taken into account the following factors:
  - Mr K's payments were made to accounts in his name.
  - Mr K and Mrs P's SBI account was accustomed to significant spending. For example, £10,000 (18 July 2024); £10,000 x2 (15 July 2024); £15,000 (12 July 2024); £20,000 (22 February 2024); £20,000 (19 January 2024); and £50,000 (17 January 2024).
  - Mr K and Mrs P's SBI account balance remained relatively healthy even after

the payments concerned were made.

- Taking all the above points together, my view is that a proportionate intervention to the payments identified would have been for SBI to have provided Mr K with a 'better' automated scam warning tailored to the likely cryptocurrency related scam Mr K was at risk from. For example, SBI should have done this by asking Mr K a series of automated questions designed to narrow down the type of cryptocurrency related scam risk associated with the payment transactions Mr K was making.
- SBI provided Mr K with automated investment/cryptocurrency warnings regarding Payments 8, 9, 11 and 12. This was because Mr K selected investment as payment purposes.
- It is arguable that these warnings were not proportionate. I say this because the payments concerned were made post the FCA's Consumer Duty, so I would have expected SBI's automated interventions to have gone slightly further. That said, I am not persuaded that even if SBI had done this, it would have made a difference in the circumstances. I say this because of Mr K's linked complaint against HSBC. In that case, HSBC did provide proportionate automated tailored warnings, which Mr K did not heed. I have not seen anything to suggest that Mr K would not have responded in the same way had SBI provided more proportionate warnings.
- I am not persuaded that the human intervention threshold has been passed in this case. I say this having weighed in the balance the aggravating and mitigating features regarding Mr K's payments. I am also not persuaded that Mr K's change in payment purposes would have had any bearing on this. Therefore, I would not have expected SBI to have carried out human interventions.
- I am not persuaded this is a case where SBI, contrary to Mr K's instructions, ought to have refused to put Mr K's payments through.
- Turning to recovery:
  - Regarding Mr K's card payments. SBI was able to recover Payments 1 and 3. However, SBI say that the beneficiary disputed Payment 2. Chargeback is an entirely voluntary scheme, which means firms are under no formal obligation to raise a chargeback claim. The relevant scheme operator can arbitrate on a dispute between a merchant and customer if it cannot be resolved between them. However, such an arbitration is subject to the rules of the relevant scheme – so there are limited grounds on which a chargeback can succeed. The service of purchasing cryptocurrency/exchanging funds into cryptocurrency – is not covered under the chargeback scheme concerned in this matter. This is because the exchanges in question provided their services as intended. This also applies to any payment processor involved, as they would have carried out their services as intended when transferring funds. For these reasons, I would not have expected SBI to have challenged the beneficiary any further.
  - Regarding Mr K's transfers. SBI attempted recovery, but the beneficiary stated no funds remained. Further or alternatively, Mr K made payments to an account in his name. Thereafter, those funds were either moved directly to the fraudsters, or, if not – Mr K should be able to withdraw them from his own account. Further or alternatively, as Mr K's payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover. Further or alternatively,

the likelihood that even if prompt action had been taken by SBI on or immediately after the fraud was reported, any of Mr K's money would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between Mr K's payments and when he reported the scam. In these types of scams, fraudsters tend to withdraw/transfer out their ill-gotten gains immediately to prevent recovery.

### **Conclusion**

Taking all the above points together, I do not find that SBI has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing SBI to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

### **MY FINAL DECISION**

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs P to accept or reject my decision before 15 December 2025.

Tony Massiah  
**Ombudsman**