

The complaint

Mr S complains that Clydesdale Bank Plc trading as Virgin Money (Virgin Money) didn't do enough to prevent him losing money to a scam.

Mr S has brought his complaint through a representative. But, for ease of reading, I'll mostly just refer to Mr S himself where I also mean his representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. Between roughly July 2023 and early 2024, Mr S says he was the victim of a scam. He made payments for what he believed to be a legitimate investment with a company I'll refer to as 'D'.

Mr S describes how he initially found D on social media. He says they used a celebrity to endorse their offerings, and he was impressed with their website which appeared legitimate. Mr S says he was contacted by an account manager who seemed professional and explained the trading process in detail. Mr S was taken through a KYC process and given access to a trading portal.

Mr S says he was told to use various other businesses (which included cryptocurrency exchanges) to credit his account. He says when he sent cryptocurrency, he would then see a corresponding amount appear in D's portal. Mr S says he initially made successful small withdrawals which convinced him of D's legitimacy and that following his success, other family members of his became involved too.

I'm aware that Mr S made very significant payments towards the scam from various accounts he held. Some of these were his personal accounts and another was a business account he was in control of. Of relevance to this complaint are the following payments that Mr S made from his Virgin Money account to an account in his name with E. I understand that E offer several services which includes the purchase of cryptocurrency. Mr S says that from his account with E all the money was lost to the scam.

Date	Payment	Amount
9 August 2023	Transfer to E	£1,000
9 August 2023	Transfer to E	£14,000
14 August 2023	Transfer to E	£25,000
15 August 2023	Transfer to E	£23,300

Mr S says that in March 2024 he (and his family members) tried to make withdrawals from the large sums that had accrued in the platform with D, but they were unable to and were told they had to pay fee's. Mr S says at this point a family member did more research about D and found warnings and bad reviews that hadn't been available when he started investing. He realised he'd been scammed and complained to the banks involved including Virgin Money.

Virgin Money didn't offer any redress. In summary they said they'd provided warnings to Mr S who had denied that there was third party involvement in the payments he was making. The matter was considered by one of our Investigators who didn't recommend that Virgin Money needed to do more. In summary he didn't think they were responsible for the loss as he didn't think Mr S would've disclosed the full situation to them.

Mr S disagrees and has asked for an Ombudsman to review his complaint.

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 overall outcome as our Investigator and for largely the same reasons. I know this will be disappointing for Mr S, so I'll explain why.

Virgin Money should follow the payment instructions received from their customers like Mr S. But they should also be alert to the possibility of fraud, scams and the misappropriation of funds and should fairly do what they can to protect their customers from the same.

I agree with our Investigator that Virgin Money ought to have been concerned Mr S was potentially at risk of financial harm from fraud due to the value and speed of the payments he instructed. Over £50,000 was sent to E in only a few days and this type of activity wasn't something that was typical for his account. The exact point at which this should have taken place isn't material to the outcome of this complaint for the reasons I'll come to.

Virgin Money did intervene in Mr S' initial payment of £1,000. He was advised to check the Financial Conduct Authority register and confirmed that he had done so. This, however, was in the context of 'E', and Mr S didn't mention that the eventual destination of his funds was to be D. Mr S was warned about the possibility of cloned investment firms, he said he wasn't paying to release funds and that he wasn't being guided by any third party. Essentially, Mr S presented his payment as being an investment on E's platform in his own name without him being influenced by anyone else.

I don't think Virgin Money's intervention was unreasonable and they asked some relevant questions and provided some relevant warnings. But even if I were to say they ought to have gone further, for the reasons I'll come to, I still don't think this would've made a difference to the position Mr S now finds himself in.

An Electronic Money Institution (EMI), R, that Mr S held an account with intervened in payments Mr S was making towards the same scam. Mr S then confirmed to R that he was buying cryptocurrency. He was asked about which provider he was using and he responded that it was 'B' on a peer-to-peer basis. Amongst the other information he shared was that he owned the account that he was using to transfer cryptocurrency to, he'd been able to make withdrawals from it and his son had advised him as to which exchange to use. He also said that he'd been investing for around a month.

R described many of the common factors that might indicate an cryptocurrency investment scam. These included being contacted via social media about an investment. Being offered high returns with little or no risk. Being unable to access the funds on the investment platform provided. As well as being asked to open a cryptocurrency account to send funds to the platform or being advised how to respond to questions R asked about the payments. Mr S confirmed that he'd opened the account himself, only he had access to it and that he was being advised by his son who had invested before. R also shared a link to a website

which appears to show negative reviews of one of the beneficiaries of his payments (from whom Mr S had said he was buying cryptocurrency).

There is also evidence to support that Mr S sought advice from the scammer as to how to answer the questions from R. And ultimately, R's intervention didn't stop the scam. Further to this there was another occasion where Mr S didn't share the true purpose of payments he was making. One example of this is when he was making payments from a business account he controlled with another bank 'S'. There were in depth phone calls about his payments and he went into great detail describing how the funds were being spent on a building and renovation project when this wasn't the case, and the payment was still towards the scam investment. Mr S also shared that his daughter was an accountant who gave him advice on investments he was pursuing. And as I've said above, he also had other family members who were taken in by the same scam.

Overall, I don't think any reasonable level of intervention that could fairly have been expected of Virgin Money would've been impactful in stopping further payments or uncovering the scam. Mr S was clearly very much under the influence of the scammer and the weight of the evidence supports that he wouldn't share the full details of what was happening with financial businesses when asked. He also wasn't receptive to relevant warnings such as being told being advised how to answer was indicative of a scam. I also think it's likely that the involvement of other family members who he trusted would've influenced his thinking at the time. It follows that I can't fairly say that Virgin Money are responsible for the loss arising from payments made from his account with them.

And as all the payments from the Virgin Money went to Mr S' own account with E, had they been available for recovery, Mr S would already have been in control of them. As such, I don't think anything Virgin Money did or didn't do impacted whether a recovery could be made.

Mr S has also mentioned that he was vulnerable due to his age which was in his early 70's at the time of the scam. I don't think someone of that age should automatically be considered vulnerable on that basis. And Mr S comes across in the calls I've listened to as confident and capable. But even if he was vulnerable, I don't think this is something Virgin Money reasonably would've known (or should've ascertained) or that this is a basis upon which I could require them to do more.

I'm of course sorry to hear Mr S lost the sums he did to cruel and callous scammers. But despite my natural sympathy for him as a victim of crime, my role requires that I remain impartial. And as I don't think Virgin Money are responsible for the loss he suffered (or a part of it), there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 December 2025.

Richard Annandale
Ombudsman