

## **The complaint**

Mr W complains that Al Rayan Bank PLC (Al Rayan) has not refunded him £70,000 that he lost as the victim of a scam. Mr W's representatives say Al Rayan failed to identify that Mr W's transactions were out of character and did not intervene sufficiently to warn him that he may be at risk of financial harm.

I was sorry to hear of Mr W's experience and that he has needed to contact us under these circumstances. I was also sorry to learn that Mr W's father passed away around the time of the scams.

## **What happened**

Mr W was introduced to the scammer by his neighbours around March 2020. The scammer said his company could offer good opportunities for investment. Mr W was shown documentation supporting the scammer's story that they were a registered financial intermediary for the Football Association.

Over a period of time, Mr W was offered the opportunity to invest in stocks and shares, property and art. He was told he would get returns of a minimum of £6,000 per year on his trading investment, £120,000 on his investment in property and a £30,000 return on his investment in art within a week of investing.

Mr W researched the company himself, seeing they were registered with Companies House, before he made the decision to invest. He received some initial return on his stocks and shares investments, totalling £20,000, in June and July 2021 and also in 2022, which reassured him that the investments were legitimate and supported his decision to invest further.

When asked about investing in property, Mr W was shown videos and paperwork of a property he was asked to invest in and promised good returns on his investment.

Before investing in art, Mr W says he saw high value paintings in person.

Mr W only realised that he was the victim of a scam when the scammer stopped speaking to him and cut off all communications.

Mr W complained to Al Rayan in June 2025.

On 24 June 2025 Al Rayan responded to Mr W's complaint and explained that under the Payment Service Regulations they do not have to refund monies lost to an automated push payment (APP) scam if the claim is made to them more than 13 months after the payments were made. As Mr W's claim was made to Al Rayan outside of that timeframe, they said they did not have to consider his claim.

However, Al Rayan went on to explain that they had contacted the third party bank that Mr W transferred his funds to, which we'll refer to as B. They said they had submitted an indemnity claim to B in an attempt to recover funds, although they had not received a response at that time.

Al Rayan also explained that as Mr W had received £20,000 returns on his investments, this indicated that they should not have acted differently at the time, as there would have been no indications the transactions were fraudulent.

Mr W was unhappy with Al Rayan's response to his complaint and he contacted our service. The investigator considered evidence provided by Mr W and Al Rayan and reached the view that although Al Rayan could have provided a better intervention, they didn't think this would have stopped Mr W making the payments.

Mr W disagreed with the investigator's view and asked for an Ombudsman to consider his complaint.

As such this case has come to me to make 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've decided not to uphold Mr W's complaint.

I understand falling victim to a scam or fraud of any kind is a distressing experience and I have taken into consideration Mr W's explanations and evidence around what happened and the significant negative impact these events have had on him. I have also considered that Mr W had lost his father around the time of these events, which he says left him vulnerable to a scam of this nature. I am sorry Mr W has needed to contact us in these circumstances.

In broad terms, the starting position at law is that a bank such as Al Rayan is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Al Rayan should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud. This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;

I have reviewed all the evidence presented to me for this case and have seen both parties agree that Mr W authorised these transactions.

Having reviewed how Mr W used the account, I have seen that he did make large withdrawals by faster payment of similar values to the disputed transactions. However, these were mostly paid to an account in his own name, whereas the disputed transactions were to a third party. As such, there were indications that these transactions weren't completely in character with Mr W's normal account usage.

Considering this, and the high value of these transactions, I consider that Al Rayan should have attempted an intervention.

Mr W's representative has acknowledged that Al Rayan did intervene, but has told us that Al Rayan's interventions were insufficient as they only asked generic questions which failed to identify red flags that Mr W was at risk of financial harm.

Al Rayan have told us that from August 2021 Mr W would have received automated payment warnings that provided generic warnings of scams before customers authorise a payment. They confirmed that they had not introduced Confirmation of Payee checks at the time Mr W made these payments.

From everything I have reviewed, I have seen limited evidence of the extent of Al Rayan's interventions. As such, I can't conclude that Al Rayan provided a sufficiently robust intervention to alert Mr W to the potential that he might be at risk of harm and its possible that their questioning didn't go far enough.

As such I have considered whether further questioning by Al Rayan is likely to have led to a different outcome.

Mr W's representative has explained Mr W was more vulnerable at the time of these scams, as he had lost his father.

They also explained the steps Mr W took to reassure himself of the legitimacy of each investment. This included examining paperwork of the scammer's credentials, checking with Companies House, reviewing videos and plans for the property and also examining art works in person. Mr W also received money from the scammer, which he believed were returns on his initial investment. This likely reassured Mr W of the legitimacy of the further investments he made.

I'm not persuaded that a proportionate intervention by the bank would've uncovered that Mr W was at risk of financial harm due to fraud.

It is clear Mr W had considered the investments, taken steps to research the investments and the company he was investing with, and had satisfied himself before deciding to send money to the scammer.

The company with which the scammer was associated was a genuine company with an extensive footprint on the Companies House register. It's correct that he wasn't authorised by the Financial Conduct Authority. That might have given some cause for concern, but I'm mindful of the fact that some of the investments Mr W was making (for example, in residential property and art) weren't regulated investments anyway.

I'm also mindful of the fact that there was a personal connection here. Mr W had been introduced to the scammer through his neighbour, who had also been helped with making investments. I think the personal recommendation and introduction by someone he knew and trusted would, realistically, have outweighed any concerns expressed by an employee of the bank.

As such, on balance, I consider that a more robust intervention by Al Rayan is unlikely to have led to a different outcome.

Given the significant amount of time that elapsed between the disputed transactions and when Mr W reported this to Al Rayan, I would not have expected them to have been able to recover those funds. Nonetheless, Al Rayan did contact the receiving bank, B, in an attempt to recover some funds for Mr W. Unfortunately, B did not respond to Al Rayan's requests.

Given everything I have considered above, I propose not to uphold the complaint, as I don't consider the outcome would have been different, even if Al Rayan had carried out a more robust intervention.

**My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 March 2026.

Matthew Warrington  
**Ombudsman**