

## The complaint

Ms F complains that THE CO-OPERATIVE BANK P.L.C. trading as Co-op Bank didn't do enough to protect her from the financial harm caused by two scams, or to help her recover the money once she'd reported the scam to it.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In February 2020, Ms F met someone on social media. After some time spent getting to know each other, he told Ms F he was in hospital overseas and asked her to send him money to cover medical bills, which she agreed to. She realised she'd been scammed in December 2022 and contacted the police, but she didn't report her the loss to any of her banks.

In February 2023, Ms F fell victim to a second scam. This time, the scammer said he needed help to fund a court case and when she questioned why he was asking her for money, the scammer threatened her and her family.

Throughout the duration of both scams, Ms F used funds from Co-op Bank, as well as accounts she held with various other banks. She withdrew money from ATMs and purchased gift cards from various supermarkets. She also transferred cryptocurrency to the scammer's wallets.

Ms F realised she'd been scammed again in May 2023. She complained to Co-op Bank, and it accepted it could have done more to prevent her loss. It agreed to refund the money Ms F had lost from the tenth payment onwards, with a reduction of 50% for contributory negligence. It further accepted there had been failings in its customer service and offered Ms F £225 compensation, and an apology.

Ms F wasn't satisfied and so she complained to this service. Responding to the complaint, Co-op Bank reiterated that Ms F had contributed to her own loss, having taken what the scammers said at face value, even though she met them online. It also said that she'd mislead its staff in the branch about the purpose of the payment and confirmed that she hadn't been told to lie.

Our investigator didn't think the complaint should be upheld. She said she wouldn't expect Co-op Bank to have flagged the first nine payments, as they weren't unusual compared with the previous spending on the account. She accepted the £6,000 cash withdrawal on 8 June 2021 was high value, but she was satisfied Ms F was asked questions in line with Co-op Bank's internal procedures, and there were no concerns. She noted Ms F was warned that fraudsters tell victims to lie to the bank and when asked what she was paying for, she said she was paying for a new boiler and additional house repairs. So, she was satisfied the intervention was proportionate to the risks associated with the withdrawal and there was no way it could have uncovered the scam.

Finally, our investigator felt the reasons given by both scammers for needing money were implausible and that Ms F misled Co-op Bank when she attended the branch. So, she was satisfied the reduction for contributory negligence was fair. And she was satisfied £225 compensation was fair.

Ms F has asked for her complaint to be reviewed by an Ombudsman. She doesn't accept the first nine payments weren't out of character or that she should share responsibility for her loss.

### **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 conclusion as our investigator. And for largely the same reasons. I know Ms F feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I'm satisfied Ms F 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although she didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of her bank account, Ms F is presumed liable for the loss in the first instance.

There's no dispute this was a scam, but although Ms F didn't intend her money to go to scammers, she did authorise the disputed payments. Co-op Bank is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

#### *Prevention*

Co-op Bank has offered to refund the money Ms F lost from the eleventh payment onwards, and so I've considered whether it could have prevented her loss before that point. Co-op Bank ought to fairly and reasonably be alert to fraud and scams and so I need to consider if it should have intervened with a view to protecting Ms F from financial harm due to fraud.

Co-op Bank didn't include any of the cheques that Ms F had reported as fraud in its redress calculations because the funds were used to pay off credit cards with other banks that had been used to fund payments to the scam. I've considered whether this is fair, and as there is no suggestion that any of the funds were paid out directly to either scam, I'm satisfied that it is.

The first eight transactions were low value ATM and in-branch withdrawals in respect of which there was no need for Co-op Bank to intervene. The ninth transaction was £6,000 which was withdrawn in branch on 8 June 2021. I've considered the questions Ms F asked and the responses she gave and I'm satisfied the intervention was proportionate to the risk presented by the payment, Ms F's responses prevented Co-op Bank from detecting the scam, and there was nothing further I'd reasonably expect it to have done. So, I'm satisfied Co-op Bank's decision not to include the first nine payments in the settlement was reasonable.

#### *Contributory negligence*

I've considered whether Co-op Bank's decision to reduce the settlement for contributory negligence is fair, and I'm satisfied that it is. I understand Ms F had believed the first person

she met online was genuine, but she had no evidence to support that he really had medical bills to pay, and she sent funds without having met him in person. She also misled Co-op Bank when she attended the branch on 8 June 2021, and this prevented it from detecting the scam. And she continued to send money to the scammer having been warned that victims are told to lie to their banks.

Significantly, Ms F failed to notify Co-op Bank when she first realised she'd been scammed, which meant she wasn't given scam education, which might have stopped her from being scammed again. She then fell victim to a second scam in very similar circumstances, which ought reasonably to have raised concerns.

I understand Ms F feels that sharing responsibility with Co-op Bank is unfair, but I'm satisfied she failed to show reasonable care before sending money to someone she'd met online, and that if she'd answered Co-op Bank's questions honestly and reported the first scam when she became aware of it, the scam could have been stopped sooner. So, I'm satisfied a 50% reduction for contributory negligence is fair.

### *Compensation*

The main cause for the upset was the scammer who persuaded Ms F to part with her funds. Co-op Bank has offered to pay £255 compensation for delays and poor service, and I'm satisfied that's reasonable.

I'm sorry to hear Ms F has lost money and the effect this has had on her. But for the reasons I've explained, I'm satisfied Co-op Bank's offer is fair.

### **My final decision**

For the reasons I've 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 Ms F to accept or reject my decision before 15 December 2025.

Carolyn Bonnell  
**Ombudsman**