

The complaint

Mrs H complains Cynergy Bank Plc (“Cynergy”) hasn’t refunded funds she says she lost as the result of a scam and is unhappy with the service provided when she reported the scam.

What happened

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

Mrs H said she saw an investment opportunity advertised online which was supposedly endorsed by a celebrity, she clicked the link and called the number provided. Mrs H said she was contacted by someone we now know to be a scammer. She told us the investment was on the stock exchange, and she invested £200, which she paid with a provider other than Cynergy. Mrs H said her investment grew and the scammer told her about another opportunity which she decided to invest in and having seen her investments grow encouraged her to invest further.

Mrs H told us she made payments from her account with a firm I’ll call N to Cynergy and another firm I’ll call R. She said the funds were moved on further by the scammer, which she had knowledge of at the time, and were then lost to the scam.

Mrs H said her funds were blocked and she was told she needed to pay various fees and taxes which she found suspicious and after speaking with her daughter she approached Action Fraud believing she had been scammed.

Mrs H complained to Cynergy, and her complaint wasn’t upheld. Unhappy with Cynergy’s response, Mrs H raised the matter with 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.

Mrs H has raised other complaints with us related to this scam which I am aware of, where necessary I’ll comment on evidence provided on those complaints which is relevant to Mrs H’s complaint against Cynergy.

I’m aware that I’ve summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I’ve focused on what I think is the heart of the matter here. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it. I’m satisfied I don’t need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I'm sorry that Mrs H has been the victim of a scam. I realise she's lost a significant sum of money, and I don't underestimate the impact this has had on her. However, just because a scam has occurred, it doesn't mean she's automatically entitled to recompense by Cynergy. It would only be fair for me to tell Cynergy to reimburse Mrs H for her loss (or a portion of it) if I thought Cynergy ought reasonably to have prevented all, or some, of the payments Mrs H made, or if I believed Cynergy hindered the recovery of the payments Mrs H made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

In broad terms, the starting position at law is Cynergy are expected to process payments and withdrawals that a customer authorises it to make. I appreciate Mrs H didn't intend for her money to end up in the hands of a scammer, that Mrs H said the scammer made the payments on her behalf and that she was aware they were doing so. Therefore, the payments are considered as authorised. Meaning under the Payment Services Regulations 2017 (PSR 2017) Mrs H is presumed liable for the loss in the first instance. However, there are some situations when Cynergy should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Cynergy should fairly and reasonably:

- Have been monitoring accounts 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 (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, take additional steps, or make additional checks, before processing a payment, or in some cases decline it altogether, to help protect customers from the possibility of financial harm from fraud.
- 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.

So, I've thought about whether the transactions should have highlighted to Cynergy that Mrs H might be at a heightened risk of financial harm from fraud.

I don't believe I need to make a finding on whether Cynergy ought to have intervened to establish the circumstances of the payments or not as having considered things carefully I'm not persuaded that any intervention from Cynergy would have uncovered the scam. I'll explain why.

Mrs H deposited funds from her account with N to her new account with Cynergy. N spoke with Mrs H prior to processing some of the payments and asked her for the reason she was making them. Mrs H wasn't forthcoming during these interventions and didn't disclose that she intended to invest the funds and said nobody told her to move her funds. This meant the scam warnings she received weren't relevant to the scam she was falling victim to and so the scam wasn't uncovered.

Mrs H also moved funds from N to her account with R before moving them again as part of the scam. R also intervened and Mrs H used a cover story provided to her by the scammer that she was paying friends and family. She doesn't disclose the true nature of the payment

and when asked confirms she isn't investing the funds. Mrs H also says she hasn't used remote access software or been told to lie, which we know wasn't the case.

A firm's intervention relies on a customer giving accurate answers and where they don't, as is the case with Mrs H as I've described, it can impact the actions a firm takes.

Given Mrs H's interactions with both N and R, along with the coaching she'd received from the scammer, I'm not persuaded that Cynergy would have been able to uncover the scam if it had intervened. I think, on balance, Mrs H would have behaved in a similar way as she did with N and R and not answered questions accurately. I therefore don't think Cynergy could have prevented Mrs H from making the payments or uncovered the scam.

I've also thought about the Contingent Reimbursement Model which is a voluntary code, and as Cynergy isn't a signatory the code isn't relevant here.

Mrs H moved funds to individuals as part of the scam and scammers typically move funds on quickly to avoid having them returned to their victims, however Cynergy was able to recover some of Mrs H's funds, and I can see these were credited to her account.

I'm sorry to disappoint Mrs H 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 Cynergy needs to refund Mrs H's money or pay compensation. I realise this means she's 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 require Cynergy to reimburse her losses.

My final decision

My final decision is that I do not uphold this complaint against Cynergy Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 2 January 2026.

Charlotte Mulvihill
Ombudsman