

The complaint

Mr J complains that Bank of Scotland plc won't refund him the money he lost, after he fell victim to an Authorised Push Payment ("APP") investment scam.

What happened

The background to this complaint is well known to both parties and has been laid out in detail by our Investigator in their view, so I won't repeat it all again here. But in summary, I understand it to be as follows.

In or around March 2022, Mr J was introduced to an investment opportunity by his wife, in a company that I'll refer to as 'H'. Mr J's wife had been made aware of the investment through a long-term friend she knew in the community.

Mr J has said he carried out some research and didn't see any negative information. Believing everything to be genuine, Mr J decided to invest and between 3 March 2022 and 7 March 2022, he sent two payments from his Bank of Scotland account, totalling £7,955. The payments were made to two different individuals, who Mr J believed to be middlemen.

Mr J has said he became suspicious, when an app he had been given access to wasn't working. This led him to carrying out further research online, where he saw bad reviews.

Mr J reported the matter to Bank of Scotland in May 2024, but it didn't uphold his complaint. In summary, it said it didn't consider Mr J had a reasonable basis for believing this was a legitimate investment and it didn't think there was any reason why it should have stepped in at the time the payments were made.

Unhappy with Bank of Scotland's response, Mr J brought his complaint to this service. One of our Investigator's looked into things and didn't think the complaint should be upheld. In summary, she said there was insufficient evidence to be satisfied that these payments were made as part of a scam involving H. She added that she could see no link between the individuals Mr J paid and H. As well as this, she said Mr J had not provided any evidence of any payment instructions/communications between himself and the individuals he paid, that linked them to H.

Mr J didn't agree with our Investigator's view. As agreement hasn't been 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.

In broad terms, the starting position at law is that a bank, such as Bank of Scotland, 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.

Here, it is not in dispute that Mr J authorised the payments in question, so that means he is liable for them, even though he was the victim of a scam.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

At the outset I think it's worth noting that there are some inconsistencies in the submissions that Mr J has provided. When he initially raised his complaint, Mr J said that the payments had been made to a company, who I'll refer to as 'A'. However, in communication with Bank of Scotland and this service, Mr J has said he had no knowledge of A, until later, and that he believed the people he had sent the money to were team leaders within H. Mr J has added that he received no physical documentation from A, but that everything was provided online by a portal in H's name.

But in any event, it remains, as our Investigator has said in their view, that Mr J has been unable to provide any substantive evidence to this service to show that the payments he made were lost to a scam. I'm not satisfied that the limited information provided, shows a distinct connection between H and the individuals Mr J sent his payments too. Mr J also hasn't been able to provide any evidence of any communications/or instructions he had with the individuals that demonstrate the payments he was making to them were in relation to investments in either H or A.

I'm mindful that Mr J has provided some videos, of the two individuals he paid, along with screenshots of some pages from social media. The videos make no reference to H, nor A and while I accept there is mention of A on the screenshots that have been provided, I'm not persuaded this is sufficient for me to be as sure as I would need to be that the payments Mr J made were in relation to investments in either H or A.

Overall, there is a distinct lack of evidence that show any interactions in relation to H and/or A with Mr J, let alone any evidence of instructions Mr J was given about making payments towards H or A. So, I can't safely say that the payments now reported were lost to, or even relate to, any scams involving H or A. There is also no evidence to suggest that the people Mr J did send the money to were operating a scam either.

In summary, Mr J hasn't provided sufficient evidence to demonstrate that the payments he made actually went to H or A, which resulted in him suffering a financial loss as a result of a scam. It follows, that I can't fairly or reasonably ask Bank of Scotland to refund Mr J the money he lost, as he's been unable to evidence there was any financial risk associated with the payments, that ought to have alerted and given Bank of Scotland cause for concern.

Finally, I've thought about whether Bank of Scotland has missed an opportunity to recover any of the money Mr J lost, once he'd reported the scam to it, but I don't consider it has. I say that as the payments Mr J made were in early 2022 and there was a gap of over 2 years between the payments being made and Mr J reporting the matter to Bank of Scotland. Given the lengthy period of time between the payments being made and being reported I think there would be little, if any, prospect of any funds remaining.

My final decision

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 J to accept or reject my decision before 4 December 2025.

Stephen Wise
Ombudsman