

The complaint

Mrs W complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPLANY trading as Ulster Bank ('Ulster Bank') won't reimburse the funds she lost when she fell victim to a scam.

What happened

The facts of this complaint are known to both parties and were set out in detail by the investigator, so I'll only cover them briefly here. Mrs W saw an advert online for a remote job which involved the completion of tasks to earn commission. She was required to send funds by card to an international money transfer service I'll call R to complete her trades as follows:

| Transaction | Date | Amount |
|-------------|----------|-----------|
| 1 | 24/06/25 | £500 |
| 2 | 24/06/25 | £1,667.99 |
| 3 | 25/06/25 | £4,502.99 |
| Total | | £6,670.98 |

Mrs W was told she had made an error and realised she was the victim of a scam. She reported what had happened to Ulster Bank.

Ulster Bank said that the funds were sent to an account in Mrs W's name with R and were lost from there, so it wasn't responsible for her loss. Ulster Bank also noted that Mrs W hadn't made it aware of any vulnerabilities.

Mrs W was unhappy with Ulster Bank's response and brought a complaint to this service. She discussed the emotional, psychological and financial impact the scam has had on her.

The investigator who considered this complaint didn't recommend that it be upheld. She said she didn't think the transactions were sufficiently unusual to alert Ulster Bank to the possibility of financial harm from fraud. And although Mrs W reported the scam when at least one payment was pending, Ulster Bank couldn't have cancelled it. Finally, Ulster Bank couldn't recover the funds sent to R as R provided the expected service so a chargeback wouldn't be successful.

Mrs W didn't agree with the investigator's findings and asked for a final decision. In summary, she said:

- When she raised the scam claim at least one transaction was pending but Ulster Bank didn't recall it or attempt a chargeback, so failed in its duty to recover her funds.
- Ulster Bank was incorrect in saying she paid an account in her own name; she made transfers through R to third party recipients overseas and was manipulated to do so.
- Ulster Bank was aware she had a gambling addiction but failed to scrutinise rapid, high-value transactions through a money remittance service.

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 deciding what's fair and reasonable, I am required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice and, where appropriate, what I consider to have been good industry practice at the time.

I'm very sorry to hear of what happened to Mrs W and of the huge impact it has had on her. She has been targeted by unscrupulous people and has lost money and suffered emotionally. Whilst I accept Mrs W is the victim of a scam this doesn't automatically mean that Ulster Bank should refund her.

In broad terms, the starting position at law is that a bank such as Ulster Bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

I agree with the investigator that the payments made by Mrs W aren't covered by APP scam reimbursement rules introduced by the Payment Services Regulator. This is because the payments Mrs W made went to an account in her name with R before being sent on to scammers. Mrs W believes that because her money ultimately ended up in the hands of scammers her payments aren't me-to-me. But I'm afraid this isn't the case. To transfer funds through R you need to have an account, and I can see from the chat messages that Mrs W was guided through this process. Mrs W was told to click "Sign up" and was advised to "Click to register an account". She sent funds to R and then to international account details she was provided.

There are 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.

Ulster Bank also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

When considering whether Ulster Bank acted fairly in processing the transactions to Mrs W's own account with R, I need to consider the information it had at the time. Whilst I don't agree that Ulster Bank can never be responsible for a customer's APP scam loss, transactions to an account in a customer's own name represent a significantly reduced risk to a bank than transfers to new third-party payees. Mrs W had previously made multiple transfers into and from an account she held with an electronic money institution, including repeated transactions on the same day. The card payments she made to R weren't at a level where I'd expect Ulster Bank to have sufficient concern to intervene. Whilst there were three payments in two days, they weren't made in quick succession and didn't drain Mrs W's account. There's a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

Mrs W says that Ulster Bank ought to have provided additional protection because she was vulnerable. She has referred to discussions with Ulster Bank about a gambling addiction. I'm not considering a complaint about gambling related transactions here. And I don't think that even if Ulster Bank was aware of Mrs W's gambling addiction, it should have done more when the payments were made to R. R provides an international money transfer service and isn't

related to gambling. Ulster Bank could also have gained some reassurance from the fact Mrs W was paying her own account.

Turning to the recovery of Mrs W's funds, I recognise that she reported the scam promptly. But Mrs W made the payments to R by card, so the mechanisms that are in place for banks to attempt to recover faster payments don't apply.

Mrs W says that Ulster Bank is at fault for not recalling pending payments to R. Once a card transaction has been authorised Ulster Bank can't recall it. The only option would be to contact the merchant if the goods or service hadn't been provided or raise a chargeback once the payment had processed. Chargeback is a process that allows debit and credit card holders to reverse a transaction when there's a problem with the goods or services they have purchased. It is organised and run through the overarching card scheme but customers wishing to use the service must go through their card issuer (Ulster Bank in this case). The chargeback scheme is voluntary, and banks are not under any formal obligation to submit a chargeback claim. But this service's view is that it is good practice for a bank to make a chargeback claim where the right exists, timescales are met and there is a reasonable prospect of success.

In this case though, I consider that Ulster Bank acted reasonably in not raising a chargeback as there was no applicable chargeback reason so no prospect of success. Mrs W's funds went to R so a chargeback would be against R. But Mrs W used R's service to make a payment via an international money transfer service. The service was provided – the money was transferred to the intended recipient (albeit the recipient was a scammer). So Mrs W received the service she expected from R and a chargeback wouldn't be successful.

Mrs W says the service provided by Ulster Bank when she reported the scam was poor. She says that she wasn't given the opportunity to speak and her case wasn't escalated or handled with care. I've listened to Mrs W's call with a member of Ulster Bank's debit card dispute team on 26 June 2025. I think the adviser was empathetic and don't agree Mrs W didn't have the opportunity to speak. Given how upset Mrs W was, the adviser put Mrs W on hold while he spoke to his manager to check whether there was anything Ulster Bank could do for her. Ulster Bank also let Mrs W know that it wouldn't reimburse her promptly. It follows that I don't think Ulster Bank provided a poor service.

Overall, whilst I'm sorry to hear Mrs W has been the victim of a cruel scam, I can't fairly require Ulster Bank to reimburse her loss.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 13 April 2026.

Jay Hadfield
Ombudsman