

The complaint

The estate of Ms K says Clydesdale Bank PLC, trading as “Virgin Money”, refuses to refund it for fraudulent transactions on its account.

This complaint was brought by a representative of the estate, who I will refer to as “W” throughout my decision. For ease, and in the hope both parties don’t mind, I will also refer to the late Ms K simply as “Ms K”.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail.

In short, W says he noticed transactions on Ms K’s account which he thinks are fraudulent. The transactions in dispute are four separate card payments made in March and April 2024, totalling £24,850. W says that these must be fraudulent transactions as this type of spending is out of character for his Ms K and based on her mental and physical state at the time he feels she was taken advantage of by scammers. W says Virgin Money should’ve done more to protect Ms K, and as a result it should refund these payments.

Virgin Money says the transactions in dispute were made using Ms K’s genuine card and PIN. And so, Ms K must have made these payments herself or given someone else her card and PIN, and her authority, to make these payments. And as there is no evidence of what the scam was, what Ms K had intended to pay for and what she had been told, it wouldn’t treat this as a scam complaint. So, it hasn’t agreed to refund any of the money.

Our investigator considered this complaint but also felt there is not enough evidence about what happened at the time to conclude this was a scam. And the evidence clearly shows the payments were made using the genuine card and PIN, so ultimately, he felt they were authorised. W wasn’t happy with this outcome, so 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.

Generally speaking, Ms K is liable for authorised transactions made from on her account and Virgin Money is liable for any unauthorised payments made from Ms K’s account. Those rules are set out in the Payment Service Regulations 2017 (PSRs). So, my first consideration here is whether the transactions were authorised or not.

Virgin Money has provided evidence to show that the transactions were made using Ms K’s card and PIN. There is a suggestion that perhaps this was done online with her card detail, or with a virtual card. However, I am satisfied that the evidence I have shows this was done with Ms K’s physical card. In relation to the PIN, W says that he had witnessed his mum trying to pay for something around that time and she struggled with inputting the numbers. However, there are no failed PIN attempts. There are 10,000 possible combinations of a

four-digit PIN, so it's most likely anyone would correctly guess a PIN. So, I think Ms K either entered the PIN herself or gave someone else her PIN to enter it in the terminal for her for each of these payments.

In the recent response to the view, W provided photo evidence of Ms K's hands around the time and provided a detailed overview of her medical condition. He explained that she had limited mobility, and it's unlikely that she would've been able to input the PIN quickly enough to have made the two transactions in quick succession. I have seen the evidence supplied and I do understand what W has said. However, the transactions were done across three different days, and Ms K had been using her card as usual in between. So, Ms K had possession of her card the whole time and must have handed it over to make the payments. And even if she didn't input the PIN herself, she has allowed someone else to do that on her behalf. So according to the PSRs, these transactions are authorised.

W says he thinks this was a scam, and he has provided some evidence to support what he's said. He has provided a copy of a business card which has the same name as the merchant who took the payments. He has matched this up to a number in his Ms K's call logs. He has sent pictures of his mother's garden, and he says there has been no significant work done to the property, so this must have been a scam. I have considered what W has said, but I am not persuaded that this is enough evidence to show Ms K had fallen victim to a scam. I'll explain why.

Before I can consider Ms K's complaint as a scam I must be persuaded that a scam has taken place and that the payments W has disputed have resulted in a loss because of such a scam. It is Ms K's (or W's) responsibility to provide appropriate evidence to support this version of events and the losses he says Ms K has incurred.

As Ms K is no longer with us, we don't know what she agreed to pay for at the time, and when the agreed works/services/products were due. From the evidence W has pieced together, it could be argued that Ms K agreed to some landscaping work that was not completed or was not completed well. But without her evidence I don't think I can make a finding that this is what is likely to have been agreed. A scam is different to a bad deal, and it is possible that Ms K agreed to some minor work at a very high price. Or agreed to some work that hasn't started yet. But in order for me to say this was a scam, I need to be persuaded that the merchant intended to scam Ms K and had no intention to provide what she had paid for. In any event, without Ms K's evidence, or some messages or a contract, we don't know what Ms K was paying for or thought she was paying for. So, this wouldn't be a situation we could consider as a scam.

W has provided a lot of evidence of Ms K's physical and mental condition in 2024, however, there is no evidence Virgin Money was put on notice or asked to do anything differently on account of her vulnerabilities. I understand what W has said about Ms K wanted to be independent and not willing to have anyone else manage her finances. However, there is no evidence that a spend cap was put on her account or any limits were set to protect her. So, I can't say that Virgin Money ought to have done anything differently here, or that it should be liable for her loss on account of her vulnerabilities.

I appreciate W will be disappointed by this outcome. It is a lot of money he has claimed for, and I understand his mother was vulnerable at the time. But as I've outlined above, the evidence shows these transactions were authorised. And without any evidence of what Ms K thought she was paying for, I wouldn't be able to conclude this was a scam which Virgin Money ought to have protected her from.

My final decision

For all the reasons outlined above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of X to accept or reject my decision before 22 December 2025.

Sienna Mahboobani
Ombudsman