

The complaint

Mr W is being represented by a claims manager. He's complaining about National Westminster Bank Public Limited Company trading as Ulster Bank because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr W lost money to what he believes was an investment scam. Between February and April 2025, he made the following card payments to Firm 1:

No.	Date	Amount £
1	7 Feb	1,585.85
2	7 Feb	391.32
3	7 Feb	8,032.40
4	14 Apr	1,072.42

But in his complaint to Ulster Bank, Mr W's representative said he was scammed by another company (Firm 2). Aside from a withdrawal in February and a small amount left in his account with Firm 1 after the final payment was made, I understand the rest of the money was lost.

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I didn't think it should be upheld. My reasons were as follows:

My research indicates that Firm 1, the recipient of payments in question, is a trading exchange based and authorised in Cyprus. It's clear several regulators, including the FCA in the UK, issued notices to advise that the firm wasn't authorised to operate in their own jurisdictions. But I've seen nothing to indicate the firm was claiming to be authorised in those countries. Further, it still seems to be active with an online presence and I've not found anything to definitively confirm it's not a legitimate broker.

Mr W's representative has referred to a complaint considered by our service previously, but I think what was said in that case has been misrepresented to some extent. Firstly, the case was resolved by an investigator, meaning it wasn't formally determined by an ombudsman. Secondly, the investigator concluded the bank should have contacted the consumer to discuss the payments being made, and once it had been established they were going to Firm 1, pointed out the regulatory notices. The investigator then concluded that this, along with the other red flags the bank should have been able to identify, would have deterred the consumer from making the disputed transactions. The investigator didn't specifically say Firm 1 wasn't legitimate and, after searching our decisions database, I've found no other record of an ombudsman's decision where the issue of whether Firm 1 was legitimate or not has been addressed.

My research also indicates that Firm 2 offers trading tools and education rather than actually running an investment platform of its own. The terms and conditions provided states:

Our fee is to simply pass the account and provide help with the benefit of our experience on how to trade using our strategies.

While not authorised by the FCA to provide investment services, the firm appears to be based in the UK and Companies House records show it's still active and last filed accounts in August 2025. I've found no other evidence to definitively confirm it's involved in running a scam.

I've also found no clear evidence of a direct link between Firm 1 and Firm 2.

Mr W and his representative haven't been clear about how the alleged scam worked and very little evidence has been provided to help me clarify this. But as far as I can tell at this time, it seems likely that any trading activity was carried out by Mr W via Firm 1 and any money paid to Firm 2 was a fee for tools and education intended to facilitate that trading. If Mr W or his representative believe this isn't an accurate summary of how the arrangement worked, I'm happy to consider any further evidence they can provide.

But based on the information I've seen so far, I don't believe it's been demonstrated that Mr W was involved in a scam or that Firm 1 in particular wasn't a legitimate broker. The legitimacy of Firm 2 is less relevant here as Ulster Bank didn't know it was receiving any money, but I've not yet seen sufficient evidence to demonstrate that was a scam either. All of this points to the real possibility that Mr W made legitimate investments and that his losses are a result of those investments not being successful, rather than that he sent money to a company that set out with the intention of scamming him.

This notwithstanding, I have gone on to consider Ulster Bank's role in facilitating the payments and whether it should have taken action that would have prevented Mr W's losses.

There's no dispute that Mr W authorised these payments. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its 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 interests of its customers and to follow good industry practice to keep customers' 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.

Taking these things into account, I need to decide whether Ulster Bank acted fairly and reasonably in its dealings with Mr W.

The payments

I must take into account that many similar payment instructions Ulster Bank receives will be entirely legitimate and I also need to consider its responsibility to make payments promptly.

Having considered what Ulster Bank knew about the payments at the time, there are reasons to conclude it had no grounds to suspect Mr W may be at risk of harm from fraud. In particular, I'm conscious the number and rapidity of payments wasn't such that a pattern consistent with many known scams was established. Further, I don't think the payments were particularly out of character for Mr W as he appears to have had some trading experience. A review of his account statements shows he'd made a number of payments to another trading exchange based in the UK previously – I counted nine such transactions with a combined value of over £18,000 in the 12 months before the payments being disputed in this complaint.

That said, payment 3 was larger than any he'd made before and there is an argument that this should have prompted Mr W to question its purpose with a view to providing an appropriate tailored warning. But in view of the absence of evidence from the time, particularly relating to his communications with Firm 1 and Firm 2 and the information they provided him with, I don't think I can fairly reach a conclusion on how he'd have responded to such an intervention and whether it would have stopped him from wanting to go ahead with the payments.

Given Ulster Bank could see Mr W was sending money to Firm 1, I think it's reasonable to have expected it to make him aware of the existing notices issued by various regulators, including the FCA. But I think it's important to consider that those notices only said Firm 1 wasn't authorised to carry out investment activities in those jurisdictions and I've seen nothing to suggest it was claiming otherwise. The notices also don't definitively point to Firm 1 as operating a scam. So, on its own, I don't think knowledge of these regulatory notices would necessarily have been sufficient on their own to dissuade Mr W from making these payments.

On balance, I don't believe there's sufficient evidence to conclude that any intervention the bank should have carried out would have prevented Mr W's losses.

Recovery of funds

I've also looked at whether Ulster Bank could or should have done more to try and recover Mr W's losses once it was told the payments were the result of fraud.

It's a common feature of investment scams that the fraudsters move money very quickly to other accounts once received to frustrate any attempted recovery and I don't think anything Ulster Bank could have done differently would likely have led to these payments being recovered by the time it was made aware of the situation.

As the payments were made by card, I've considered whether it should have tried to recover the money through the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. I'd only expect Ulster Bank to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here as the rules don't typically cover payments made for investment purposes.

In conclusion

I'm sorry Mr W lost this money and I realise my comments will come as a great disappointment. But, for the reasons I've explained, I don't think there's sufficient evidence to conclude any further intervention by Ulster Bank would have made a difference to the eventual outcome and I'm not proposing to tell it to make any refund.

The responses to my provisional decision

Mr W didn't accept my provisional decision and his representative made the following key points:

- It didn't ought to be in dispute that Ulster Bank should have intervened in the first payment to Firm 1 as a result of the notices issued by the FCA and other international regulators, information on which was published by the International Organisation of Securities Commissions (IOSCO).
- The bank should have questioned Mr W about the payments and this would have revealed the scheme had many common features associated with investment scams. It could then have provided an appropriate tailored warning to highlight this.
- There's no evidence to indicate Mr W wouldn't have been discouraged from going ahead by the FCA notice or that he wouldn't have heeded a warning from the bank about investment scams.
- Mr W has tried to recover records of his communications with the scammers. The fact these attempts have been unsuccessful shouldn't be held against him.

A Google search reveals instances of adverse publicity, including accounts of experiences much like Mr W's. These reports further validate that the platform was not operating legitimately and confirm his testimony.

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, my findings haven't changed from those I set out previously. I haven't necessarily commented on every single point raised. I've concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

I've already set out in detail why I don't believe it's clear these payments were associated with a scam. Aside from pointing to reports of others who lost money in the same way, Mr W's representative hasn't provided any further evidence to indicate this wasn't simply a legitimate investment made via Firm 1, based on information provided by Firm 2, that went badly wrong.

Beyond that, I think it's important to restate that the notices issued by the FCA and other regulators published by IOSCO said Firm 1 wasn't authorised in those particular jurisdictions. They didn't say it was operating a scam. Further, I've seen nothing to suggest

Firm 1 claimed to be authorised in the UK or any of the other jurisdictions covered by notices from the other regulators. While I don't dispute that any intervention by the bank should have brought these notices to Mr W's attention, I don't think their existence would necessarily altered his decision for this reason for that reason.

I don't dispute that an intervention was warranted by Ulster Bank, and certainly by the time of payment 3. And I think that intervention should have included questions about the payments that would have enabled Ulster Bank to establish what type of scam could be taking place so it could provide appropriate tailored warnings. But to conclude any part of Mr W's money should be reimbursed, I'd need to be satisfied it's more likely than not that such a warning would have prevented him from going ahead. In view of the lack of evidence from the time, particularly relating to his communications with the scammers, I don't think I can fairly reach that conclusion.

I appreciate this outcome is very disappointing for Mr W, but I do believe it's fair and reasonable based on the available evidence.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 February 2026.

James Biles
Ombudsman