

## The complaint

Mr G complains that Bank of Scotland plc (BoS) didn't do enough to prevent the loss he suffered when he was the victim of a scam.

Mr G has used a representative to bring his complaint. But, for ease of reading, I'll mostly just refer to Mr G himself where I also mean the representative.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In 2024 Mr G says he was the victim of a scam. He found what he believed to be a genuine investment opportunity on social media. He was guided as to how to make payments which all went to cryptocurrency which was then sent on and lost to the scam. Mr G was repeatedly told he had to pay further fee's or charges to be able to make a withdrawal and ultimately, he realised he'd been scammed.

As a result of the scam Mr G sent a large number (over 50) payments from his account with BoS. The payments all went to his own account with a cryptocurrency exchange 'C'. From there they were sent on to the scammers and lost. Most of the payments were for a few hundred pounds or less and together they totalled around £23,000.

Mr G complained to BoS who didn't offer any redress. The matter was referred to our service and one of our Investigators didn't recommend the complaint should be upheld. In summary she didn't think BoS had treated Mr G unfairly by not intervening in his payments. Mr G disagreed and asked for an Ombudsman to review his complaint.

Upon my initial review, I reached a different outcome to that of our Investigator. So, I wrote to BoS (and shared a copy of what I'd said with Mr G). In summary I said:

*"I'm currently minded to reach a different outcome to that of our Investigator. And I wanted to share my thoughts with you with a view to potentially agreeing an offer to take to Mr G and his representatives to reach a prompt outcome for both parties.*

*Firstly, I would agree that the CRM Code doesn't apply here as Mr G paid an account with [C] that was in his own name. And I have some understanding of your position that the activity starts with relatively modest payments and that they go on for a number of months. That being said, in 2024, you'd have been aware of the public warnings from Action Fraud and the FCA as well as no doubt reports from many of your customers linking cryptocurrency payments to scams. That's not to say cryptocurrency isn't a valid asset class with legitimate uses. But we also can't ignore that it is a preferred method of payment for scammers and that this would've been well known at the times relevant to this complaint. I'd also expect by this time BoS to have been aware of multi-stage scams where victims are instructed to move payments between different accounts before they are ultimately lost to scammers.*

*With the above context in mind, I think that when Mr G instructed his payment for £2,580 on 22 May 2024, this ought to have stood out as presenting such a potential risk of financial*

*harm to him, that it wasn't reasonable for BoS not to have done more before processing it. In the four days prior to this payment, nearly £4,000 had been sent to the same recipient. And I think this ought to have stood out as a meaningful departure from how the account had typically operated.*

*The number of prior payments and the fact that they had been ongoing since February 2024, doesn't lessen the risk presented in my opinion. Some of the account notes you included in your business file also suggest that you too thought that the activity was unusual for the account.*

*I note you've said that Mr G said the payments were a transfer to his own account rather than towards an investment. I don't find this to be indicative that he'd have lied about his payments if asked. It wasn't technically wrong that the payments were going to another account in his name, even if another answer might also have been applicable.*

*Where, as is the case here, the payments were identifiably going to cryptocurrency, I'd have expected BoS to have warned Mr G about the common factors associated with cryptocurrency investment scams. This would've included having access to a platform where good returns would be seen, but this can be fake. As well as being told about being required to pay fees and charges before a meaningful withdrawal could be made. I think this coming from his bank would've been impactful for Mr G who clearly wouldn't have wanted to lose his money.*

*At that time, Mr G had already been given several different reasons for why a further payment was needed before he could receive a withdrawal. And I think it's more likely than not that his further loss would've been prevented as a result of such an intervention from BoS. So my starting position would be that BoS should provide a refund from the £2,580 payment onwards (plus 8% simple interest for the impact of being without those funds, from the date of each payment until the date of settlement).*

*However, I also need to think about Mr G's own actions here. The chat history with the scammer indicates that he held concerns about being repeatedly told that there was just 'one more payment' to secure a withdrawal. There is also some suggestion that friends of his had said that his investment didn't seem genuine. This doesn't impact my thoughts on whether BoS could've uncovered the scam, I think a warning from a bank would have more impact than from a friend. But I do think in this case it wasn't reasonable for Mr G to continue making the payments he did and that it would be fair and reasonable for him to accept responsibility for 50% of his loss. I'd intend to make a reduction of that percentage due to contributory negligence..."*

Mr G indicated he would accept this outcome. I confirmed to BoS that what I'd said in my email was my intended outcome for this complaint. BoS said they would agree to pay the suggested redress, but would still like me to issue a 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.

Both sides said they would accept what I suggested, and no further evidence or arguments were submitted. In light of this, I see no reason to deviate from the outcome I've already shared.

## **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint.

Bank of Scotland plc must refund Mr G with 50% of each of the payments he made towards this scam from (and including) the £2,580 payment he made on 22 May 2024 until the final payment of £200 that he made on 8 August 2024. 8% simple interest should also be added and paid. This should be calculated on the award amount between the date of each payment, and the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 31 December 2025.

Richard Annandale  
**Ombudsman**