

The complaint

N, a limited company, complains that ClearBank Limited is unfairly refusing to refund money it says it lost in an investment scam.

N is being represented by a professional representative, but for ease of reading I'll mainly refer to N.

What happened

The circumstances surrounding this complaint are well known to the parties, so I haven't set them out in detail here. Instead, I've summarised what I consider to be the key points.

N says it discovered an investment opportunity through an advertisement on social media. Contact details were submitted. N was contacted on a popular messaging application and encouraged to make a small initial investment. N was shown a demonstration about how to trade, following which it carried out some research. It couldn't find any negative information about the investment opportunity. It decided to invest, making one payment of £50,000, on 6 January 2025, by faster payment to an account in the name of one of N's former directors. From there, funds were transferred to a cryptocurrency account, also in the name of the former director and then from there on to the investment company.

The investment appeared to grow in value, but when a withdrawal was attempted, it was unsuccessful and it was at this point N says it realised it had been scammed.

N says the payment was unusual and out of character with other payments from its account. It was a large payment, to a money transfer service and ClearBank ought to have intervened to ask probing questions about the payment. N says if this had happened, then the scam could have been uncovered quickly and its loss could have been prevented.

ClearBank says the transaction was authorised and transferred to a known associate of N. It says the payment didn't flag on its systems. It doesn't accept that it's responsible for N's loss, but it did pay £300 for some delays in communicating with N.

Our Investigator didn't uphold N's complaint. He wasn't persuaded the payment was out of character, having regard to the value of payments usually made from the account and other factors. He wasn't persuaded N had shown it had suffered a loss either, as it had paid the money to Mr A, a former director of N and it was Mr A who had lost the money in a scam. There was little, in the Investigator's view, to show that the payment to Mr A's account, was a payment made by N for business purposes. He thought all the evidence pointed to this being a personal investment by Mr A, albeit using money he had been paid by N.

N didn't agree with the Investigator's conclusions. It said it had been consistent in its testimony that this was a business investment and its testimony should carry evidential weight. It said Mr A engaged with the scammer on behalf of what was, in effect, a partnership. It says a partnership can be formed where persons carry on a business with a common view to profit. It says that was clearly the case here. This investment was made by Mr A, in conjunction with N, with shared intent and understanding. It says that when Mr A

engaged with the scammers, he did so with implied authority on behalf of this partnership.

The Investigator didn't change his view. Subsequently, N provided a document dated 4 December 2024, from N, which said N was investing in the cryptocurrency market and Mr A would be responsible for making those investments on behalf of N.

The Investigator examined the document's metadata, which suggested the document had been created recently and he wasn't persuaded to give it weight.

N says the metadata doesn't necessarily reflect the date the document was created. It says the original document was lost when a device crashed and this document is a copy of the original.

N's complaint has been passed to me for an ombudsman's 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.

Having done so, I agree with the Investigator's overall conclusions.

There is very little evidence to persuade me that this investment was made by N as a business investment and that it is N that has been the victim of fraud. Money was paid from N's account to Mr A, a former director of N and it was Mr A who transferred the money from his account to a cryptocurrency account in his name and then transferred cryptocurrency to the scammers from that account. The messages between Mr A and the scammer contain no reference to him investing on behalf of N and it has not been explained why the payment would need to be routed through two accounts in the name of a former director of N if it was intended to be an investment for N.

N's testimony and the testimony put forward on its behalf by its representatives has not been clear and consistent, in my view. While the original submissions suggested this was an investment by N, these later changed slightly, to suggest this was an investment made through a legal partnership created between Mr A and N and that he was acting with implied authority from N to make the investment on behalf of the partnership. N's representations then changed again, to suggest this was an investment by N, with Mr A acting as its agent with express authority to do so. And an internal memo, dated 4 December 2024, on N's headed paper, was then provided, stating that Mr A was to make a cryptocurrency investment for N.

Like the Investigator, I have concerns about the weight that should be attached to the memo dated 4 December 2024. The metadata, indicating the memo was created in September 2025 is a concern. I accept it's possible the memo is a later copy of an original document that was intended to set out the basis on which Mr A would be acting for N. But it doesn't tie-in with the account put forward on N's behalf about Mr A and N creating a legal partnership and the investment being made by that partnership.

What is clear is that the payment was made from N to Mr A's personal account and from there it was moved on to another of his personal accounts and on to wallets that it appears were ultimately controlled by the scammer. The evidence suggests to me that Mr A was the victim of a scam. The basis on which the funds he lost had been provided to him by N is not clear, to the point I don't consider I can safely conclude that it was N's money that was lost in this scam.

I'm not satisfied N has suffered a loss and on that basis, I don't uphold N's complaint that ClearBank failed to protect it from fraud and N has suffered a loss as a result.

I'd add that the cryptocurrency transaction history I've been provided with shows some conversion of funds into cryptocurrency and some withdrawals in February, but it does not appear to show that the full £50,000 was withdrawn and sent to the scammers. These cryptocurrency transactions took place in February 2025, around a month after the payment from ClearBank. The copies of the messages exchanged with the scammer stop on 26 January 2025, before cryptocurrency was transferred on to the scammers, so there is a general lack of evidence to show what happened and that the full amount was sent on to scammers.

My final decision

I don't uphold N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 4 March 2026.

Greg Barham
Ombudsman