

The complaint

Mr L, initially via a representative, has complained that AIB Group (UK) Plc trading as Allied Irish Bank (GB) (“AIB”) failed to refund the money he lost as part of an investment scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mr L was the victim of a series of scams. These included an initial investment scam, a recovery scam and a person pretending to work for a company that helps represent people who bring complaints to our service.

Mr L made around 35 payments to the scammers. These were made by transfers and card payments to accounts he held with other current account providers. He also made some payments directly to a third parties’ bank account via transfer as well. The transactions took place between July 2023 and July 2024.

Mr L realised he had been scammed when ultimately, for each scam in turn, he was unable to either withdraw his profits or recover the funds that he had lost. Mr L asked AIB to refund these payments, as he believes AIB should have done more to prevent him from being scammed in the first place. AIB did not agree with this.

One of our senior investigators looked into this matter and she thought that any intervention from AIB would not have stopped the scam. She said this because she believed that Mr L was under the spell of the scammers. She therefore did not uphold this complaint.

Mr L did not agree with this and therefore this case has been passed to me to issue 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

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

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is more likely to have (or would have) happened, in light of the available evidence and the wider circumstances.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this and this reflects the nature of our service as a free and informal alternative to the courts.

In broad terms, the starting position is that AIB is expected to process payments and withdrawals that a customer authorises it to make. This should be in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

However, taking into account relevant law, regulatory rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that AIB should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice AIB sometimes does); and
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

I can see that AIB did not intervene sufficiently during the various scams. Especially as it was on notice in 2024 that Mr L had been scammed in the past. That said I don't think that any intervention would have prevented Mr L from being scammed. I say this because his other account providers did intervene and there were a series of calls, online chats and warnings provided by these providers.

These warnings included many features of the scams that Mr L was actually falling for. These included a warning about downloading remote access software, that guaranteed profits are a sign of a scam, that legitimate investments are not arranged on group chats, that scammers use fake trading platforms, and that scammers ask you to send money from crypto wallets to new wallet addresses as part of the scam.

These warnings did not resonate with Mr L either at the time or later in the scams.

I also can see that Mr L was being guided by the scammers to give answers to any interventions that were designed to obfuscate what the payments related to. For example, he said he had found the investment on his own, when he hadn't; he said nobody that he had met online was guiding him, when they were. He also insinuated that he was not sending the funds on from his crypto account and he was holding the crypto in place, when he was in fact sending the crypto on.

With this in mind and given that AIB was only required to take proportionate steps to try and protect Mr L from financial harm, I'm not persuaded he would've shared anything concerning with AIB, had it questioned him more about what he was doing. So overall, I think that AIB should have intervened more than it did. But I do not think that this would have likely stopped or uncovered the scam or allowed AIB to provide a relevant warning that would have resonated with him.

I also feel that had AIB stopped the payments entirely, Mr L would have sent the payments via other accounts or means. This is demonstrated by him doing just that when payments were stopped by his other account providers.

I've also thought about whether AIB could have done more to recover the funds after Mr L reported the fraud.

AIB are under no obligation to refund the money under the Contingent Reimbursement Model as they are not part of it. It also could not recover the funds that were sent to accounts in Mr L's own name, as the funds had already been sent on. And even if they had not been forwarded on, Mr L had control of those accounts. I note that AIB did attempt to recover the funds sent to the third parties' bank account, but was unsuccessful. I don't think that it needed to do more than this when it attempted to recover the money.

In relation to the card payments the only way to recover the funds would be a chargeback but as the card payments were essentially a means to deposit funds in Mr L's crypto wallets and that is what happened there would be no means to challenge the payments.

I note that Mr L is vulnerable for a variety of reasons, But I can't see that AIB was aware of this prior to the scams. So I can't say that AIB has acted unfairly for not adjusting how it communicated with Mr L, when it was not aware it may need to do so.

I note Mr L's new representative's comments in relation to Mr L suffering from a series of scams. But ultimately Mr L is only due a refund from AIB if I think that it did something wrong and it could've reasonably stopped the scam. In this instance, AIB should have intervened more than it did but even had it intervened appropriately, given how under the spell of the various scammers Mr L was, I don't think that it could have prevented the loss that Mr L suffered. So it follows that I can't reasonably ask AIB to refund the transactions in question.

I appreciate this will likely come as a great disappointment to Mr L, and I'm sorry to hear he has been the victim of a number of scams. However, whilst I have a great deal of sympathy for the situation that Mr L found himself in, I'm not persuaded that AIB can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 12 January 2026.

Charlie Newton
Ombudsman