

The complaint

Mr R is complaining about Capital One (Europe) plc because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr R fell victim to a cruel investment scam after he responded to an online advert that appeared to be endorsed by a well-known celebrity. He used his Capital One card to make an initial payment of £195.44 to the fake investment scheme on 11 May 2025.

Our investigator didn't recommend the complaint be upheld. Mr R didn't accept the investigator's assessment and the complaint has now been referred to me for review.

Mr R made payments that ended up with the scammers from other accounts and I've addressed his concerns about these in separate decisions. He's also complained about a lender from which he borrowed money to fund the scam and a credit reference agency and these are being considered by my colleagues.

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've reached the same overall conclusions as the investigator. Mr R has made extensive submissions but I haven't necessarily commented on every single point raised, instead concentrating 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.

After reviewing the evidence provided across all of his complaints, including his communications with the scammers, I think it's clear that Mr R has been the victim of a scam and that this payment was lost to the fake investment scheme.

There's no dispute that Mr R authorised this payment. 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.

Capital One 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 Capital One acted fairly and reasonably in its dealings with Mr R.

The payment

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

Having considered what Capital One knew about the payment at the time, I'm not persuaded it ought to have been concerned. It wasn't part of a series of rapid payments that are consistent with many types of scam. Further, the amount involved was low and I don't think there was anything about the payee that would have appeared suspicious. So I don't find that there were sufficient grounds for Capital One to think Mr R was at risk of harm from fraud and I can't reasonably say it was at fault for processing the payment in line with his instructions.

Recovery of funds

I've also looked at whether Capital One could or should have done more to try and recover Mr R's losses once it became aware several weeks later that the payment was the result of fraud.

Card payments aren't covered by the industry's reimbursement scheme for authorised push payment (APP) fraud. Instead, the mechanisms for recovering card payments are the chargeback scheme or the provisions under section 75 of the Consumer Credit Act. I'd only have expected Capital One to pursue a claim via one of these routes if it was likely to be successful and it doesn't appear that would have been the case here as the schemes don't normally cover payments made for the investment purposes.

In the circumstances, I don't think anything Capital One could have done differently would likely have led to Mr R's money being recovered.

Other issues

I note Mr R has expressed some concerns about Capital One's response to his complaint, particularly that it didn't answer some specific questions he raised. But after reviewing the correspondence, I'm satisfied it responded appropriately, addressing the key points of complaint, and that the outcome reached was reasonable.

In conclusion

I recognise Mr R has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Capital One acted fairly and reasonably in its dealings with him and I won't be telling it to make any refund.

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 R to accept or reject my decision before 5 February 2026.

James Biles
Ombudsman