

The complaint

Mr C complains about The Royal Bank of Scotland Plc ('RBS').

He says that he has been the victim of a scam and would like RBS to refund him the money he has lost as a result.

What happened

Having retired, Mr C was looking to make a small investment when he came across an advert for 'W' which offered investments in whiskey. He was interested in the opportunity and provided his details after which he was contacted by a representative.

Mr C then made a payment of £5,000 on October 2022 for a three-year bond offering returns of 6%. The investment was managed by 'L' and its investment hub platform.

Mr C was under the impression that he would receive a monthly payment for his investment – but was later told that he had made an end of term investment (although he has provided details from the hub which appears to show that the investment was due to pay monthly).

Mr C made a complaint to RBS prior to the investment maturity date as he was concerned about information he had read about W and thought he may have been scammed – but it wasn't upheld.

Mr C then brought his complaint to this Service via representative, and our Investigator looked into things.

Our Investigator explained that while it was disappointing that Mr C's investment hadn't worked out as planned, there wasn't currently enough information to show that Mr C had been the victim of a scam, rather than investing in a scheme that ultimately failed. They explained that it was also possible further information may come to light at a later date which may show W was operating as a scam after all.

Mr C and his representatives asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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 have decided not to uphold this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Mr C.

In broad terms, the starting position at law is that a bank such as RBS is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (PSR's - in this case the 2017 regulations) and the terms and conditions of the customer's account. It isn't in dispute that Mr C authorised the

payment to W – so the starting point is that he is liable for the transaction. But Mr C also says that he has been the victim of an authorised push payment (APP) scam.

RBS has signed up to the voluntary CRM Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP scam, as set out in it, is met.

I have set out the definition of an APP scam as set out in the code below.

... a transfer of funds executed across Faster Payments...where:

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent.*

The CRM Code is also explicit that it doesn't apply to private civil disputes. The wording in the code is as follows:

"This Code does not apply to:

- b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier."*

I've considered whether the payment made to W falls under the scope of an APP scam as set out above – and having done so I am not persuaded that it does. I'll explain why in more detail.

I'm satisfied that Mr C intended his funds to be used to purchase bonds with W – so I've gone on to consider the purpose W had in mind when it received the money from Mr C – and if this was in line with what Mr C thought his funds would be used for.

This service has received statements from W's account with the beneficiary bank, and while I cannot share all of the information due to data protection laws, these statements do show that the account was used to pay significant funds to well-known distilleries and whiskey storage facilities which suggests that W was investing in whiskey as it said it was. On balance, I think this shows that Mr C's funds were being used for a purpose that aligns with what he had agreed to.

I agree that there has clearly been some confusion about the terms of the bond with which Mr C thought he was buying. That being whether it was due to pay out monthly or at the end of the term, and Mr C seems to have been given some incorrect information about this, I am unable to say that this in itself shows that Mr C has been the victim of a scam. Not all investments are successful, and can result in disappointing losses, and while I can see why investors may feel that they have fallen victim to a scam, a failed investment doesn't mean that W was operating as a scam. I have also seen no evidence to suggest that W was running as a Ponzi scheme (although Mr C didn't receive any returns at all).

I've also considered if there was anything that RBS could have done to prevent Mr C from making his payment at the time – but I don't think that there was anything that RBS could have done in relation to this. There was nothing available at the time that suggested Mr C may have been at risk of financial harm, and RBS wasn't providing Mr C with investment advice at the time so had no reason to warn him or provide guidance on the risks associated with this type of investment. And as I have said above, I don't have enough to say that W was running as a scam.

Overall, I do not have enough to safely conclude that Mr C was the victim of a scam – therefore there is no obligation for RBS to refund him under the CRM code – and I cannot direct it to do so.

I am very sorry that Mr C is out of pocket due to his investment not working out as planned – but many genuine investments fail and enter administration for genuine reasons and not because they were set up to deliberately defraud and scam people out of their money. And I believe this to be the case in this instance.

Finally, there is a possibility that further information could come to light at later date, for example from the police or administrators that could suggest that W was running as a scam all along. Should this be the case, Mr C can ask RBS to reconsider his complaint, and if he is not happy with its answer, refer another complaint to this Service.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 February 2026.

Claire Pugh
Ombudsman