

The complaint

T, a company, complains that Clydesdale Bank Plc trading as Virgin Money (Virgin) has unfairly refused to refund it money it says it lost in an investment scam.

T is being represented by Mr W, its sole director and shareholder, and also by a professional representative. For ease of reading, I've mainly referred to Mr W.

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.

Mr W says T fell victim to an investment scam in March and April 2025. He says he had been looking for investment opportunities throughout 2024 and 2025 and saw some adverts for a broker that used artificial intelligence to trade. He contacted the broker and was persuaded that it was legitimate and he decided to invest.

He says he transferred money from T's business bank account to a broker as an investment. The investment account was in Mr W's name. The investment appeared to be performing well, and he was encouraged to investment more money, which he did. When he asked to withdraw some of the investment, he was told he needed to pay certain fees and charges. He paid some of them and then he was told about additional charges. Eventually he realised the investment was a scam.

The following payments were made from T's business bank account to the broker:

Date	Amount	Payment type	Destination
21/03/2025	£2,000	Card payment	Mr W's investment account.
24/03/2025	£3,000	Card payment	Mr W's investment account.
25/03/2025	£2,000	Card payment	Mr W's investment account.
01/04/2025	£5,000	Card payment	Mr W's investment account.
02/04/2025	£5,000	Card payment	Mr W's investment account.
08/04/2025	£10,000	Card payment	Mr W's investment account.
10/04/2025	£4,000	Card payment	Mr W's investment account.
14/04/2025	£10,000	Card payment	Mr W's investment account.
17/04/2025	£4,000	Card payment	Mr W's investment account.
17/04/2025	£25,000	Card payment	Mr W's investment account.
23/04/2025	£10,000	Card payment	Mr W's investment account.
24/04/2025	£15,000	Card payment	Mr W's investment account.

T received credits from the broker into its account with Virgin on 27 March 2025 for £1,000 and £2,000 and on 4 April 2025 for £4,900.

Mr W says that payments were unusual for T's account due to the size of payments, how frequently they were made and they were being made to an overseas payee. He says Virgin ought to have intervened and questioned the payments and provided relevant warnings. He considers it's likely he wouldn't have gone ahead with the payments if Virgin had intervened

and discussed the payments with him. He hadn't been advised to lie to Virgin, he would have named the investment company he was dealing with and Virgin could have easily checked the FCA website, which carried a warning about this investment broker.

Virgin says the payments were authorised and they were paid to a trading platform. It said it was unable to attempt chargeback claims where payments were made to an investment account, under the relevant card scheme rules. It said the source of funds for this investment wasn't clear and it appears the payments were funded by loans taken out in Mr W's name.

Our investigator didn't uphold the complaint. She concluded that the loss was not T's loss, but Mr W's loss and so it wouldn't be fair to require Virgin to refund any money to T in circumstances where it didn't appear to have suffered a loss. She considered the evidence suggested that the payments were made for a personal investment of Mr W's, not a business investment.

Mr W, on behalf of T, didn't agree. He provided director's loan accounts as evidence that the money T received into its business account from Mr W were loans. He deliberately transferred money into the business account before making the investment and if he'd intended to make a personal investment, he would have sent money directly from his personal account. T provided a screenshot of a message between Mr W and the broker in which he told the broker he was using his business account to fund the investment. It says this reinforces that his intention was for the investment to be a business venture.

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.

It isn't in dispute that Mr W, on behalf of T, authorised the payments made from T's account with Virgin using the company debit card. The starting position is that Virgin should follow the instructions given by its customers. But matters don't end there. Taking into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I think Virgin ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

But before considering whether Virgin did all that it could and should have done, I need to determine whether T is the party that has suffered a loss and in this case that isn't straightforward.

T says it made these payments to a broker as an investment because it wanted to generate better returns on its savings.

The main document we have been provided with relating to the ownership of this investment is an agreement between Mr W and the broker, not an agreement between T and the broker. The parties accept that the broker account was in Mr W's name, not in T's name. Mr W says the broker account was set up in his name at the suggestion of the broker, but there is no indication of why that might be the case if this was intended as an investment for T.

All the payments to the investment account came from company T's business account. But a payment was attempted to the investment account from Mr W's personal account, on 3 April 2025, which he says bounced back. Mr W then started sending money from his personal account to his business account on 7 April 2025 and from there, he transferred it on to the investment account. So, the money sent to Mr W's investment account was a mixture of funds originating in his personal account and money that was already in company T's business bank account.

I've considered the suggestion that Mr W started to send money from his personal account because company T didn't have the money available to it to pay the fees and charges the broker started to ask for. That might indicate the investment was supposed to be an investment of T's money and Mr W only started to use his money to help when T ran out. But the first indication I can find that Mr W was told he needed to pay fees before he could withdraw any money is on 11 April 2025, which is after he attempted to make a payment from his personal account directly to the broker and after he started to send money to T from his personal account.

The source of the majority of funds paid to the broker was money that had been transferred from Mr W's personal account, via T's business account, through loans taken out in Mr W's name. Therefore, that gives me further reason to believe this was a personal investment.

The messages exchanged with the broker are limited but I don't agree with Mr W's suggestion that they support the view that this was a business venture. Mr W appears to have been confirming simply which account he wanted his withdrawals paid into.

There are also inconsistencies in Mr W's recollections. For example, the complaint form and complaint letter both say Mr W was interested in getting better returns than those offered by ISAs and shares and that prompted him to look into this investment. But an ISA is a personal investment not available to a limited company like T and so it suggests Mr W was looking for a personal investment. Mr W says he was seeking a better return on T's savings, but that isn't really reflected in what happened because, as mentioned, at least some of the money originated from his personal account and Mr W also attempted to make a payment directly from his personal account to the investment account.

I accept the director loan statements T has provided show the payments from Mr W to T are recorded as loans to T. But they don't necessarily show me what was originally intended by the payments from T to Mr W's investment account. It seems to me that the paying out of that money to a personal investment account held in Mr W's name may well represent repayment of those loans, rather than indicating that this was intended as a business investment.

On balance, I'm not persuaded that the evidence I've been provided with is sufficient to show me that the investment account, which was *in fact* set up as a personal investment in Mr W's name, was actually intended to be an investment account for company T.

That being the case, I can't reasonably say that T has suffered a financial loss since making these payments to Mr W's investment account would appear to discharge a debt T owed to Mr W. So, even if Virgin should have intervened in the payments, it wouldn't be fair and reasonable for me to ask it to refund T. I'm conscious that some of the payments made from T to Mr W's investment account originated from money held in T's business bank account before Mr W started funding his business account through his personal account. How Mr W and T account for this is outside the scope of this decision but the fact remains the money was paid out from T to Mr W's investment account. If the money did belong to T and was not owed to Mr W, I still don't consider it would be fair for me to require Virgin to refund it to T. That's because I'm not persuaded it would be reasonably foreseeable to Virgin that T's director would transfer money out of the company account to his own investment account rather than using it for business purposes.

My final decision

For the reasons given above, I don't uphold T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 16 February 2026.

Greg Barham
Ombudsman