

The complaint

Miss K complains that Bank of Scotland plc won't refund the money she lost when she was the victim of a scam.

What happened

In August 2025, Miss K was looking to book some driving lessons. She found a driving school advertised on a social media platform, contacted it and agreed to book a number of lessons. She then made a payment of £350 from her Bank of Scotland account to account details she was given, to pay for the lessons.

Unfortunately, the driving instructor didn't arrive when the first lesson had been arranged. And when Miss K attempted to contact the driving school, she says she had been blocked from communicating with it. Miss K then felt she had been the victim of a scam and reported the payment she had made to Bank of Scotland.

Bank of Scotland investigated but said the payment wasn't covered by the relevant reimbursement rules as it was made to an account outside the UK. And it didn't think it had made an error in making the payment. So it didn't agree to refund the money Miss K had lost. Miss K wasn't satisfied with Bank of Scotland's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They agreed the relevant reimbursement rules didn't apply here. And they didn't think Bank of Scotland should have been expected to prevent Miss K's loss. So they didn't think it should have to refund her. Miss K disagreed with our investigator, 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.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

In 2024, the Payment Systems Regulator required the Faster Payments Scheme operator to introduce rules to require firms to reimburse customers who had been the victim of authorised push payment scams. These Reimbursement Rules came into force on 7 October 2024 and require firms to reimburse consumers who are the victims of scams in certain circumstances. However, the rules only apply to payments made to an account held in the UK.

The payment Miss K made here was sent to an account held in Gibraltar. And Gibraltar, while being a British Overseas Territory, is not part of the UK. So the Reimbursement Rules don't apply to the payment she made, and I can't require Bank of Scotland to apply them or to reimburse her as a result of them.

While the Reimbursement Rules don't apply here, the regulatory landscape, along with good industry practice, sets out requirements for firms to protect their customers from fraud and financial harm. So, in line with this, I think Bank of Scotland should have been monitoring accounts, had systems in place to look out for unusual transactions and, in some circumstances, have carried out additional checks before processing payments.

But the payment Miss K made here wasn't for a particularly large amount, or for an amount I would have expected Bank of Scotland to identify as suspicious based on its size alone. Miss K had made a number of payments out of her account for similar and larger amounts in the months before this payment. And the payment didn't use up a suspicious proportion of the available balance in her account or leave the balance of her account at a particularly unusual level.

So I don't think it's unreasonable Bank of Scotland didn't identify that she could be at risk of financial harm as a result of this payment, and didn't carry out any further checks or take any further action before allowing it to leave her account.

I also don't think it's likely anything I would reasonably have expected Bank of Scotland to have done would have led to any of Miss K's funds being recovered from the account they were sent to, or that there are any other grounds on which I would expect Bank of Scotland to refund Miss K here.

I sympathise with the position Miss K has found herself in. I'm also in no way saying she did anything wrong or that she doesn't have a legitimate grievance against the driving school. But I can only look at Bank of Scotland's responsibilities here and, for the reasons I've explained above, I don't think there are any grounds on which I can require it to refund the payment she made here.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 8 May 2026.

Alan Millward
Ombudsman