

The complaint

F, a limited company, complains Zempler Bank Limited hasn't reimbursed it after it fell victim to a scam. Mr M brings the complaint on behalf of F.

What happened

On 18 December 2024 F received a call from a scammer claiming to be Zempler. They asked Mr M if he recognised certain transactions, which he confirmed he didn't, and they advised the account had been compromised. They told Mr M that in order to protect F's money they would need to set up a new account for F.

They directed Mr M to send F's money to the 'new' account which was actually just an account the scammers had access to. They told him the amount he was entering was to 'link' the accounts but was actually transferring money. On 18 December 2024 Mr M sent £24,050.01 of F's money in one payment to the scammers account.

The payment was made on 18 December 2024 at 5:57pm. At 7:56pm Mr M contacted Zempler to report F had been scammed and its out of hours team dealt with the report. The next day, on 19 December 2024 at 11:41am, Zempler's fraud team contacted the receiving bank to try and recover the funds but the receiving bank was unable to return them. Zempler advised F it would be unable to reimburse it for its loss.

Later, Mr M sent a further £500 to the same account belonging to scammers in error. Zempler was able to recover this amount and it was returned to F.

I issued my provisional decision in February 2026 and I said that:

Should Zempler have done more to prevent the scam

It isn't in dispute that F authorised the payment in this case, although I accept Mr M did so on behalf of F believing he was protecting the account. In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

However, taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Zempler should fairly and reasonably:

- *Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks are generally more familiar with than the average customer.*
- *In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before it processed a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

I have carefully considered whether I think Zempler ought to have intervened when the payment left M's account. But overall, like the investigator, I don't think the payment made was so significantly unusual Zempler ought to have intervened.

M is a business which frequently makes high value payments from the account to various different third parties. It had made several payments of similar amounts to the payment made to the scammers in the months leading up to it. I don't think it's unusual for a business like M to make this type of payment from time to time and I also don't think it would've appeared significantly unusual the payment was made to a new payee. I think this is what you'd typically expect to see from an active business with a high turnover.

I've considered any other patterns or behaviours Zempler should've been looking out for as an indication of a scam. But this was a one off payment, so there wasn't a pattern for Zempler to recognise. And as I've said, whilst it was to a new payee, I wouldn't consider this unusual in itself given M's account is a business account.

Overall, I don't think Zempler missed an opportunity to prevent the scam when the payment was made.

Should Zempler have done more to recover the funds

Mr M reported the scam to Zempler around two hours after the payment was made, but this was after 5pm and therefore outside its general operating hours. Zempler did have an 'out of hours' team that could record the situation and pass it on to its fraud and scams team which is who Mr M spoke to. The following morning, when the fraud and scams team started work during its normal operating hours at 9am, the report was picked up and the receiving bank was contacted at around 11:41am. Unfortunately, the last of the funds were removed from the receiving account by 2:41am, so the funds had already been removed from the account by the time Zempler contacted the receiving bank.

The consideration here is whether Zempler should've contacted the receiving bank sooner – after Mr M reported the scam to the out of hours team. The investigator has said they think it should've. And had they done so, most of F's money would've still been in the receiving account and likely returned. But having considered the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I don't agree Zempler was required to act immediately in this case.

There are long established best practices in place for the recovery of funds lost to a scam. These were introduced by UK Finance in 2018 as the Best Practice Standards (BPS). The BPS states that, where a scam has been reported, contact with the receiving bank and attempts to recover funds ought to take place immediately. The BPS doesn't give a definition of what immediately means. But I – and this service as a whole – consider that a fair and reasonable interpretation would be for action to be taken within an hour.

However, banks can choose whether to sign up to these standards. And Zempler is not a signatory. This means it isn't required to adhere to these guidelines. I would also add that the BPS apply to 'customers' as defined in the Payment Services Regulations (PSRs). This sets out that a customer is someone acting for purposes other than a trade, business or profession, a charity with an annual income of less than £1 million, or a micro-enterprise. F doesn't fall into any of these categories.

This doesn't mean Zempler has no obligation to F. And I still would've expected to have acted on a best endeavours basis to try and recall its funds. And this means I still would've expected to have acted immediately once it was able to in contacting the receiving bank. But I don't think it was required to have the 24 hour capability to do this.

I can see that once it's fraud and scams team was available, Zempler contacted the receiving bank within a few hours. But the money had left the receiving account overnight. So whilst Zempler took nearly three hours to contact the receiving bank, and this is slightly longer than I'd expect to see, the money had left the account before the fraud and scams team was available during its operating hours. So even if Zempler had acted immediately, at 9am the next day, this wouldn't have resulted in the return of the funds.

I've seen that when Zempler contacted the receiving bank around £4,900 remained in the scammer's account which wasn't returned. However, it appears this had been pre-authorized in a point of sale transaction sometime earlier. So, the receiving bank didn't return it. Zempler is ultimately only able to contact the receiving bank to try and recall funds. It isn't in control of whether the receiving bank does return the money it's attempted to recall.

For the reasons given, whilst I can see Zempler acted slightly outside the timescales I would expect in contacting the receiving bank, even if it had acted as soon as it reasonably ought to have done, the funds would've already been moved on. So I don't think it's liable for F's loss.

Zempler accepted my provisional decision but F didn't. In summary it said:

- F didn't regularly make large payments outside of its own business hours so the fraud payment should've seemed unusual to Zempler based on when it was made
- If Zempler was unable to deal with fraud claims outside of hours, Mr M believes it should automatically 'safeguard' the transfer of funds outside of its operating hours
- Zempler was aware this type of scam took place and should've had additional safeguarding measures in place
- Mr M contacted Zempler at around 6pm the day of the scam payment, not 7:56pm
- The fact Zempler didn't contact the receiving bank until 11:41am the next day shows a disregard for its duty of care
- The scammer clearly had an in-depth knowledge of Zempler's banking system

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.

I have carefully considered the complaint again in full, taking into account the additional information F has provided. But overall my findings remain the same as outlined in my provisional decision for broadly the same reasons. But I would like to clarify my position in relation to some of the additional points F has raised.

Much of F's response relates to the additional 'safeguarding' measures Mr M believes Zempler should have in place to deal with scams and fraudulent payments. He's said this because Zempler is aware of how scams tend to be perpetrated and because it doesn't have an out of hours fraud team it should take additional measures.

Scams are unfortunately extremely common within the banking industry. And as I've outlined in my provisional decision, there is extensive guidance, law and regulation in place to ensure banks are looking for indications that scams are taking place. And I've outlined in my provisional decision why I don't think Zempler reasonably ought to have recognised the payment F made in this case was part of a scam.

Zempler's obligations have to be balanced with not unreasonably impeding its customers' use of their accounts. Especially where the customer is a business, like F is, and wouldn't be satisfied if its regular operations were regularly interrupted.

Zempler is not obliged to carry out additional checks on any payment that is made after 5pm. Businesses have different operating hours and I wouldn't expect Zempler to keep a record of every customer's operating hours. I also don't think it's unreasonable to expect that some small business activities might take place outside of normal operating hours from time to time. So I don't think the fact the payment in this case was made at this time alone ought to have prompted intervention given the other factors I've mentioned in the provisional decision.

I'd also note that Zempler provides its customers with automatic warnings when payments are made which detail typical scams and provide some information about how they can be perpetrated. In addition, F would've been shown confirmation of whether the name of the account holder it believed it was making the payment to matched the genuine name of account holder. And if these hadn't matched, F would've been alerted to this before the payment was made. So there are additional measures in place.

It isn't Zempler's sole responsibility to be on the look out for an indication a scam is taking place. The account holder also has some responsibility. I'd reasonably expect a company like F to carry out its own checks when sending and arranging payments. In this case, I don't think Zempler reasonably ought to have intervened. But if I concluded it ought to have done, I'd still need to go on to consider F's role and whether it had acted reasonably in following the scammer's instructions in this case. And I'd note that despite awareness of the scam, F itself sent a second payment to the scammers account after the scam had been uncovered.

With regards to when Zempler contacted the receiving bank, I don't have anything further to add other than what I've said in the provisional decision. If Zempler had acted as soon as it ought to have done, the money still wouldn't have been available to return. So whilst Mr M believes taking almost three hours to act shows a disregard for its obligations, what I'm looking at here is whether any delay made a material difference. In this case it didn't.

I accept Mr M contacted Zempler at around 6pm the day the payment was made. But as this is still outside its usual operating hours I don't think this makes a material difference to the outcome.

I've noted what Mr M has said about the scammers having an extensive knowledge of Zempler's operations, and this may well be the case. Scammers will often have gathered some information about the banking system in order to try and persuade victims what they're saying is genuine. But again, I'm not persuaded this point makes a material difference in this case. I've considered what I think Zempler ought to have done in line with its obligations and I don't think it's liable for F's loss in this case.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 19 March 2026.

Faye Brownhill
Ombudsman