

The complaint

Mr M complains that National Westminster Bank Public Limited Company, trading as Ulster Bank, won't refund the money he lost to a scam.

What happened

Mr M was looking was looking to buy a reduced-price gaming console for his child and he went onto a popular shopping site. He found one for £319 and he was taken to a Company C website.

Mr M paid for the console on 18 September 2025 using his Ulster Bank debit card. When it didn't arrive, he went onto a review website and saw one-star reviews from other people who had the same experience.

As Mr M considered that he'd been scammed he contacted Ulster Bank to claim a refund. Ulster Bank applied a temporary credit and raised a chargeback dispute but subsequently told Mr M:

- The chargeback claim raised through Mastercard was won in the retailer's favour, due to the retailer advising no contact was made to them and that they do not sell (gaming) consoles. Therefore, the chargeback was re-debited as per the chargeback process under Mastercard.

Mr M was dissatisfied with Ulster Bank's answer and submitted a complaint. Ulster Bank explained that:

- Regarding chargebacks, MasterCard are the governing body, and they must abide by their operating rules, regulations and timescales.
- They have no direct contact with retailers.
- They couldn't take his claim any further as they had raised a chargeback and it had been considered by Mastercard's arbitration scheme.
- He could contact Trading Standards for further advice.

Mr M was dissatisfied with Ulster Bank's response and he escalated his complaint to our service. However, our investigator couldn't see that Ulster Bank had acted unfairly.

Mr M didn't agree or understand and said:

'If the company has no contact from' him 'and they don't sell (consoles) then why would' he 'send them £319 for a (console) that' he 'had an invoice for it doesn't make any sense'

Our investigator said that although he accepts Mr M was scammed and appreciates this may not make sense, he considered that Ulster Bank had acted reasonably.

Mr M requested an Ombudsman review as he considers the merchant has either made a mistake or is lying, having stolen his and other people's money.

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'm not upholding the complaint, for the same reasons given by our investigator. I appreciate Mr M will be disappointed as he has lost an amount of money that was large and important to him.

Although I have a great deal of sympathy for Mr M as I accept that he was scammed and I don't disagree with his above statement about the merchant (either making a mistake or lying), I can't fairly say Ulster Bank should be held responsible for his financial loss. That's because I don't consider the Ulster Bank would reasonably have been expected to intervene on the payment and I'm satisfied they did all they could to recover his funds through a chargeback. I've explained why below.

The APP Scam Reimbursement Rules

I considered these rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam. But unfortunately, they don't apply as Mr M paid by card and unfortunately these aren't included.

The Payment Services Regulations 2017 (PSR) and Consumer Duty

I took into consideration the following PSR and Consumer Duty:

In accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment.

There's no dispute that Mr M made the payments here, so they are considered authorised. However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions. So, I consider Ulster Bank should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have systems in place to look 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 and building societies are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

From July 2023, Ulster Bank had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that

customers will always be protected from bad outcomes, Ulster Bank was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Ulster Bank also had to look out for signs of vulnerability.

Ulster Bank has a difficult balance to strike in how it configures its systems to detect unusual activity indicative of a higher risk of fraud. There are millions of payments made each day and it would not be possible or reasonable to expect Ulster Bank (or any business) to check each one. In situations where Ulster Bank does decide to carry out further checks, I would expect that intervention to be proportionate to the circumstances of the payment.

As it isn't reasonable to expect Ulster Bank to intervene on every payment, the first question for me to decide is whether the disputed transaction ought to have looked concerning enough to have prompted a fraud check.

Whilst I appreciate the £319 payment was a large amount of money to Mr M, I don't think it would've looked concerning enough to Ulster Bank to indicate that Mr M was at risk of financial harm and to require an intervention by a fraud and scam agent. I say this because:

- Although they were infrequent, Mr M made payments for similar and larger amounts.
- The amount wasn't significantly high.
- It was a single payment to a genuine company and there was nothing that stood out as particularly unusual or out of character.

As I wouldn't have expected Ulster Bank's monitoring to have triggered an intervention, I then considered their attempts to recover his funds.

Chargeback process

As Mr M paid by debit card this was through the chargeback process, It provides a way for the card issuer to help a customer claim a full or partial refund of the amount they paid on their card, if certain things go wrong with what they'd purchased or thought they'd purchased.

However, it's important to note that:

- Ulster Bank don't run the chargeback scheme.
- It's run by a global payments network.
- There are no guarantees that a chargeback claim will be successful.
- There are various rules covering things such as what sort of scenarios are eligible for chargeback, the kind of evidence required, and the timescales for a chargeback to be raised.
- Under the scheme rules the merchant can defend a chargeback if it doesn't agree with the request, which is what happened here.

Having reviewed the file, I'm satisfied that Ulster Bank did make a claim on behalf of Mr M and that upon review of the information, provided by both sides, a decision was made which unfortunately didn't uphold Mr M's claim. There isn't any documentation that shows the decision considerations; however the system (and decision) isn't Ulster Bank's and is designed to handle disputes over service delivery rather than sophisticated scams.

Service

Finally, I don't think it's the responsibility of Ulster Bank to undertake an investigation into Company C and the merchant. Also, due to confidentiality reasons, I don't think it was unreasonable of them not to give Mr M the merchant's account details. Mr M does though have the merchant's name, and I noted that Ulster Bank said that he can contact Trading

Standards for advice. And from looking at Companies House there does appear to have been some action, that is in progress, against this company.

Conclusion

I recognise the impact this has had on Mr M and I'm very sorry to disappoint him, but I can't fairly say that Ulster Bank ought to have prevented his loss or did anything wrong here.

My final decision

For the reasons mentioned above, my final decision is not to uphold this complaint against National Westminster Bank Public Limited Company, trading as Ulster Bank.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 April 2026.

Paul Douglas
Ombudsman