

The complaint

Mr and Mrs C complain that Northern Bank Limited trading as Danske Bank will not reimburse the funds they lost to a scam.

Mr and Mrs C are professionally represented, but for ease I have only referred to Mr C and Mrs C in this decision.

What happened

The details of this complaint are well known to both parties so I will not repeat them all here.

In summary, Mr C saw an advertisement on social media for a cryptocurrency investment opportunity. And between January and March 2023 he made payments for over £125,000 from his sole account, and from his joint account with Mrs C to an account he holds with another business that I'll refer to as R. Mr C used the funds to purchase cryptocurrency before then sending it on to the scam platform. When Mr C realised it had been a scam, he reported the matter to Danske but it did not uphold his complaint.

Our Investigator upheld the complaint in relation to Mr C's sole account and the account with R. He thought both Danske and R ought to have intervened in the payments Mr C made and had they had done so, the scam would have been prevented. He thought Mr C should also bear some responsibility for the loss he incurred. However our Investigator did not uphold the complaint in relation to Mr and Mrs C's account (which is the subject of this complaint). He did not think Danske ought to have been concerned about the payments from this account.

Mr C and R accepted our Investigator's opinion, but Danske did not agree with the findings in relation to Mr C's sole account. As an agreement could not be reached, the complaint was passed to me for a final decision. I wrote to the parties letting them know that while I agreed with what our Investigator said, I thought that had Danske intervened on Mr C's sole account, it could have also prevented the loss from the subsequent payments made from his joint account. And I thought it fair and reasonable to hold Danske responsible for the loss incurred from payments made from Mr and Mrs C's account from 28 March 2023 onwards. Additionally, I thought the complaints ought to be settled differently.

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.

Taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Danske should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

I do not find the initial payments made from Mr and Mrs C's account bore the hallmarks of common scams at the time. The payments were not of significant value when considered in

the context of the vast number of payment instructions Danske processes on a daily basis. They were to an account in Mr C's name, they were not made in particularly quick succession which is commonly found in scams such as these. And as time passed the payments would have become part of Mr C's typical account activity.

However I found a payment Mr C made from his sole account on 23 February 2023 ought reasonably to have raised concerns that he might be at an increased risk of financial harm from fraud and warranted intervention by a member of staff. Had Danske intervened and asked appropriate questions, I thought it is likely that the scam would have been uncovered and the subsequent loss prevented.

It follows that on balance, I find it is more likely than not Mr C would not have proceeded to make payments from his joint account either. Therefore, I am persuaded Danske could have prevented the loss Mr and Mrs C incurred from 28 March 2023 onwards. And I find it fair and reasonable to hold Danske responsible in such circumstances.

Considering the funds did not remain in Mr C's account with R but were sent on to cryptocurrency platforms, I am satisfied there were no prospects for successfully recovering the funds at the time Danske was made aware of what happened.

In order to reach a fair outcome on this case I've also thought about whether Mr C's actions, or in-actions, mean he should share liability for his loss. I agree with our Investigator that

Mr C acted negligently and ought to have taken heed of red flags. For instance, Mr C said he conducted his own research, so I would expect him to have taken heed of several negative reviews and indications that the investment was a scam, which were available online prior to him making the disputed payments. Therefore I find he ought to share responsibility for the loss he incurred.

Putting things right

Comparing Mr C's actions against those of both Danske and R, I think that a fair deduction to the amount reimbursed is 50%. I've looked at the mistakes made by both businesses and I've found them to be very similar in nature – they both should have recognised that Mr C was at risk of financial harm from fraud and prevented some of the loss. Where two businesses have made the same or similar mistakes, I don't think their combined mistakes mean that they are more at fault than they would be if only one of them had made that mistake.

In light of this, I find Danske should reimburse 25% of the payments Mr C made from 28 March 2023 onwards and it should also pay 8% simple interest per annum on the amount reimbursed from the date of loss to the date of settlement to compensate Mr and Mrs C for loss of use of these funds.

My final decision

My final decision is that I uphold this complaint and require Northern Bank Limited trading as Danske Bank to:

- refund 25% of the payments made on 28 March 2023 onwards. That is £13,930.
- Pay 8% simple interest per annum on the amount reimbursed from the date of loss to the date of settlement.

If Northern Bank Limited trading as Danske Bank considers that it's required by HM

Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs C how much it's taken off. It should also give Mr and Mrs C a tax deduction certificate if they asks for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 1 April 2026.

Oluwatobi Balogun
Ombudsman