

The complaint

Mr S complains that Bank of Scotland plc (BoS) is refusing to refund him the amount he lost as the result of a scam.

Mr S is being represented by a third party. To keep things simple, I will refer to Mr S throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr S has explained that he found an advert on social media offering an investment opportunity in cryptocurrency with a company I will call "X". Mr S expressed his interest in the investment and was contacted by X where the opportunity was explained in more detail.

Mr S made a small initial payment on the direction of X and could see his investment via X's online platform. X then encouraged Mr S to make further payments on the basis he would receive increased profits. But when Mr S tried to withdraw from the investment he was told he would have to make additional payments first.

Mr S made the requested payments but was still unable to withdraw his profits and realised he had fallen victim to a scam.

Mr S has disputed the following payments made in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	6 February 2025	CRO	Debit Card	£512.89
2	6 February 2025	CRO	Debit Card	£500.45
3	7 February 2025	Clear Bank Mr S	Transfer	£50.00
4	24 February 2025	CRO	Debit Card	£4,995.02
5	24 March 2025	Clear Bank Mr S	Transfer	£2,800.00
6	8 April 2025	Clear Bank Mr S	Transfer	£4,000.00
7	11 April 2025	Clear Bank Mr S	Transfer	£7,000.00
8	11 April 2025	Clear Bank Mr S	Transfer	£1,000.00
9	15 April 2025	Clear Bank Mr S	Transfer	£3,030.00
10	15 April 2025	Clear Bank Mr S	Transfer	£130.00
11	29 April 2025	Clear Bank Mr S	Transfer	£3,750.00
12	30 April 2025	Clear Bank Mr S	Transfer	£3,850.00
13	8 May 2025	Clear Bank Mr S	Transfer	£3,800.00
14	20 May 2025	Clear Bank Mr S	Transfer	£4,000.00

Our Investigator considered Mr S's complaint and thought it should be partially upheld. BoS disagreed, so this complaint has been passed to me to decide.

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 has not been disputed that Mr S has fallen victim to a cruel scam. The evidence provided by both Mr S and BoS sets out what happened. What is in dispute is whether BoS should refund the money Mr S lost due to the scam.

Recovering the payments Mr S made

Mr S made payments into the scam via his debit card and via transfer. But the payments were not made to the scammer directly. Instead, the payments were made to a legitimate cryptocurrency exchange in exchange for cryptocurrency that was provided to Mr S. As it took further steps for the funds to end up in the hands of the scammer, any attempt to recover the payments would have no prospects of success.

Should BoS have reasonably prevented the payments Mr S made?

It has been accepted that Mr S authorised the payments that were made from his account with BoS, albeit on X's instruction. So, the starting point here is that Mr S is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether BoS should have been aware of the scam and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scam taking place.

BoS has said that Mr S had previously made large payments from his account. He had also made three small cryptocurrency related payments before the larger payment (payment 4) so overall the payments would not have stood out or prompted any intervention.

I accept that Mr S had previously made larger payments from his account with BoS, and made smaller payments in relation to cryptocurrency before payment 4 was made. But at the time payment 4 was made BoS would have been aware of the increased risk associated with cryptocurrency related payments and would also have known that it wasn't common for Mr S to make such large payments in relation to cryptocurrency.

With what BoS knew about payment 4 at the time it was made I think it should reasonably of had concerns that Mr S could have been at risk of financial harm and it should have intervened. I think that a proportionate intervention to the risk payment 4 presented would have been for BoS to have presented Mr S with a tailored warning that covered common aspects of cryptocurrency scams.

Considering the scam Mr S was experiencing included very common aspects of this type of scam, such as advertisements on social media, being asked to open a trading account, sending money via cryptocurrency and being asked to make payments to withdraw funds, I think it's most likely such a warning would have resonated with Mr S.

I don't have enough to say that Mr S would not have taken notice of such a warning had it being presented to him in a clear way. Afterall Mr S had no desire to lose his funds.

As BoS didn't warn Mr S in the way I have explained it should have above I think BoS did

miss an opportunity to prevent the scam, and it is responsible for Mr S's loss from payment 4 onwards.

Did Mr S contribute to his loss?

Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions (see s.1C(d) of our enabling statute, the Financial Services and Markets Act 2000).

In the circumstances, I do think it would be fair to reduce compensation by 50% on the basis that Mr S should share blame for what happened. I say this because I think Mr S could have done more to protect himself.

Although Mr S had not invested in cryptocurrency before, he started to make large payments in relation to an investment he had seen advertised on social media, without taking any kind of formal independent advice. It also appears that Mr S carried out no research himself before taking part in the investment.

Had Mr S taken more care before making the payments I think he could also have prevented his loss.

Putting things right

To put things right I require Bank of Scotland plc to:

- Refund the payments Mr S made in relation to the scam from payment 4 onwards less 50% for contributory negligence
- Add 8% simple interest per year to the amount it pays Mr S from the date of loss to the date the payment is made (less any lawfully deductible tax)

My final decision

I uphold this complaint and require Bank of Scotland plc to put things right by doing what I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 May 2026.

Terry Woodham
Ombudsman