

The complaint

Mr and Mrs M complain that THE ROYAL BANK OF SCOTLAND PUBLIC LIMITED COMPANY ('RBS') won't reimburse the funds they lost when they say they fell victim to a scam.

What happened

Mr and Mrs M hold a joint account with RBS from which the payments I am considering in this case were made. But the investment was in Mr M's name, so I'll mainly refer to him.

The facts of the case are known to both parties, so I'll set them out briefly. Mr M says that he was introduced to an investment opportunity. He found out more details, spoke to a director and received literature which set out the nature of the investment with a company I'll call 'C' in this decision. C claimed to be a blockchain based payment ecosystem. It was raising funds by offering shares in the company.

In May 2021 Mr M made two payments from his joint account to buy shares in C. The payments were for £45,000 and £10,000 respectively. He received a share certificate shortly afterwards.

The company I'm referring to as C has changed its name but to avoid confusion I will refer to C throughout my decision.

Mr M received brief updates about how C was doing. In January 2025 Mr M received an email which said that C's team had decided it was in everyone's best interests to close. Mr M raised a scam claim with RBS.

RBS didn't agree to reimburse Mr M. It said he had paid a legitimate company and there was no evidence of deception at the time of payment.

Mr M was unhappy with RBS' response and brought a complaint to this service.

The investigator who considered Mr M's complaint didn't recommend that it be upheld. She said there was insufficient evidence to conclude that Mr M was the victim of an authorised push payment (APP) scam and that if RBS had intervened at the time of payment, it wouldn't have had any concerns.

Mr M was unhappy with the investigator's findings and asked for a final decision. I have summarised below what I consider to be his main points:

- Some banks have reimbursed those who invested in C. He can't understand why RBS hasn't, particularly when he has been a loyal customer for around 47 years.
- C asked investors to pay into around 12 different accounts.
- C has changed its name three times in three years and changed its registered office address from a wealthy location in London to a mailing address.
- In 2023 C had nearly £4million. In under two years it applied to be struck off and dissolved and now has no directors.
- He and others requested their money back from C but didn't receive a response.
- A director who was fired when he uncovered the true intent of the business says the venture was corrupt and has passed information to the police. The police have

verbally said the same.

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 deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – in other words on what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

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. But there are circumstances when it might be fair and reasonable for a firm to reimburse a customer even when they have authorised a payment.

RBS was a signatory to the CRM Code at the time the payments were made. Under this code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam, except in limited circumstances. But the CRM Code only applies if the definition of an APP scam, as set out in it, is met.

I have considered whether Mr M's claim falls within the scope of the CRM Code, which defines an APP scam as:

...a transfer of funds executed across Faster Payments...where:

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.*

The CRM Code is explicit that it doesn't apply to all push payments. It says:

"This Code does not apply to: (b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier".

To decide whether Mr M is the victim of an APP scam as defined in the CRM Code I have considered:

- The purpose of the payments and whether Mr M thought this purpose was legitimate.
- The purpose the recipient (C) had in mind at the time of the payments, and whether this broadly aligned with what Mr M understood to have been the purpose of the payment.
- Whether there was a significant difference in these purposes, and if so, whether it could be said this was as a result of dishonest deception.

In this case Mr M thought he was buying shares in a business with the hope his shares would increase in value. A confirmation statement filed with Companies House shortly after Mr M made his payments shows that 54,546 shares were allocated to Mr M – meaning Mr M and C had the same purpose in mind when the payments were made. Mr M was provided with a share certificate showing the number of shares allocated to him and recorded on Companies House.

I recognise that communications with C have ceased. But I can't say that I've seen any evidence of an intent to defraud Mr M when the payments were made. Whilst the company Mr M's funds were sent to has gone into liquidation, C continues to be a registered company (albeit now with no directors). And I haven't been provided with any evidence which demonstrates that Mr M's funds weren't used for the intended purpose.

Businesses can fail for reasons that don't involve fraud. They can be mismanaged or there can be a breakdown in the relationships between key personnel. In this case Mr M has provided an email from a former director which refers to a fallout with C's majority shareholder concerning the costs of fundraising. The former director discussed his disappointment not to be leading or taking part in a launch which he had done so much to design and bring to fruition. He also referred to the fact he had worked extremely hard for the three years before to enable C to develop successfully. The email suggests a fallout and that substantial work had been put into developing the company – in line with what Mr M expected. Another director then apologised for the fact Mr M received the email, updated him on the progress the company was making and made a commitment to launch C as soon as possible.

Points raised by Mr M are not enough to bring his claim within the scope of the CRM Code. Companies can change their name and registered office address for legitimate reasons.

I note that there is an ongoing police investigation. The police have greater powers than this service to request information that may be relevant and can review all accounts related to C. Mr M has also said a former director has provided information to the police which will help with their investigations. If relevant fraud charges are brought following the conclusion of the police investigation, Mr M may be able to ask RBS to reconsider its decision.

Mr M has provided evidence which shows that others who invested with C have been reimbursed by their banks, in full or in part, whilst others, like him, have been told they have a civil dispute with C. I don't know the circumstances of those other cases or on what basis the relevant banks chose to reimburse their customers. My role is to consider the individual circumstances of Mr and Mrs M's complaint. I appreciate this is frustrating for Mr M, but I can't require RBS to reimburse him based on the decisions of other banks.

Overall, whilst I recognise Mr and Mrs M have lost a lot of money and am sympathetic to the position they now find themselves in, I can't fairly require RBS to reimburse them based on the evidence that is currently available.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 28 April 2026.

Jay Hadfield
Ombudsman