

The complaint

Mrs S complains that The Royal Bank of Scotland Plc ("RBS") won't refund over £95,000 she lost to an investment scam.

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I will focus on giving the reasons for my decision.

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 agree with the conclusions reached by the investigator for the following reasons:

- It isn't in dispute that Mrs S authorised the disputed payments she made to her Wirex account (where the funds were subsequently transferred on to the scammer via cryptocurrency). The payments were requested using her legitimate security credentials provided by RBS, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I've considered whether RBS should have done more to prevent Mrs S from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- RBS has said that it's unable to confirm whether any of the scam payments were flagged for further checks. And having reviewed the first seven payments made by Mrs S, I don't think these were enough in themselves to have warranted any form of intervention by the bank, as I don't consider they were unusual or suspicious enough to indicate a heightened risk of financial harm. RBS wouldn't have necessarily known that any of these payments were being made to cryptocurrency wallets either, as Wirex offers various money remittance services as well as having a cryptocurrency exchange platform. So I don't think RBS would've reasonably been expected to have provided any form of written cryptocurrency specific scam warning for these payments either.
- However, by the time she came to make the eighth payment of £20,000 on 7 July 2023, this then marked a significant escalation in the value of payments being made, which also ought to have appeared as out of character for Mrs S's account. So, I think RBS ought reasonably to have delayed this payment until it had made further enquiries with Mrs S.
- However, even if RBS *had* intervened at this point and asked further questions about the nature of the payments Mrs S was making, I'm not persuaded it would have likely stopped her from proceeding or have ultimately prevented her loss. I'll explain why.
- Having reviewed the correspondence between Mrs S and the scammer, I can see that

she was being told what to say if she was ever questioned by the bank. The scammer told her to inform them of any questions she was asked and said to tell the bank that she already had an account with Wirex and was just transferring more money over to it. The scammer told Mrs S not to mention brokers or dividends, and to “stick to the script”. Mrs S did not question this, and told the scammer she would do her best.

- As a result, it seems unlikely that Mrs S would have mentioned anything about an investment or being advised by a third-party broker if RBS had questioned her. Indeed, Mrs S has also told this Service that she was asked to select a purpose for at least one of the payments, to which she said she chose “Home Improvements”, which obviously wasn’t an accurate or truthful answer. So, overall, even if RBS had intervened, I’m not persuaded Mrs S would have been forthcoming with the true nature of the payments she was making, so I don’t think RBS could’ve reasonably identified that she was falling for a scam or ultimately prevented her loss.
- I also don’t think there was anything more RBS could’ve done to recover the money Mrs S lost. In terms of the debit card payment, a chargeback claim would’ve had little prospect of succeeding given Mrs S would’ve received the service/asset she had purchased (i.e. the cryptocurrency). Similarly, for the faster payments, there would’ve been no prospect of recovering the money from the receiving accounts either, given we know these accounts were controlled by Mrs S, who had already transferred the cryptocurrency on to the scammer by the time the fraud had been reported.

I appreciate this will likely come as a disappointment to Mrs S, and I’m sorry to hear she has been the victim of a cruel scam. However, I’m not persuaded RBS can fairly or reasonably be held responsible for her loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs S to accept or reject my decision before 5 June 2024.

Jack Ferris
Ombudsman