

The complaint

Miss B complains that Clydesdale Bank Plc trading as Virgin Money (Clydesdale) won't refund payments that she says she made as the result of a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. Miss B says that she's been the victim of a romance scam. She was befriended by an individual online who she says took advantage of her vulnerable state and persuaded her to send money to him.

As a result of the scam, between June 2019 and February 2023 Miss B used her Clydesdale debit card to make a series of payments to 'W'. W offer a money remittance service and this is how Miss B says she sent the money to the scammer.

In 2023 Miss B reported to Clydesdale that the payments had been made as the result of a scam. In May 2023 Clydesdale declined Miss B's claim for reimbursement. Following the involvement of our service, Miss B complained and Clydesdale maintained their position on the disputed payments. They did however accept that there had been some delays in giving Miss B an answer on her fraud claim and so they credited her account with £75 compensation. Miss B asked our service to investigate.

One of our Investigators didn't recommend that the complaint should be upheld. He didn't think the payments were so unusual that Clydesdale ought to have done more before processing them. And he wasn't persuaded that Clydesdale would have been able to recover the funds. He also thought the compensation offered was fair. He forwarded Miss B's request that Clydesdale consider making a gesture of goodwill due to her personal circumstances, but Clydesdale declined to do so. Miss B asked for an Ombudsman to review her complaint.

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've reached the same outcome as our Investigator and for largely the same reasons. I know this will be incredibly disappointing for Miss B, so I'll explain why.

I'd like to start by acknowledging all Miss B has told us about her personal circumstances. It does seem that she has been through some very difficult times and continues to face challenges in her life. But that being said, my role requires that I remain impartial. So despite my natural sympathy for Miss B's circumstances and situation, I can only direct Clydesdale to refund the payments she made towards the scam if they are responsible for errors that otherwise would have prevented them.

Miss B made over 20 debit card payments to W and these took place over an extended period of time. There were times when the activity was more frequent and other times when it was less so. And the largest individual payment she made was for around £471.

Clydesdale's primary obligation is to follow the instructions Miss B provides and to promptly execute payments she's authorised. Miss B accepts she made the payments, but says she was tricked into doing so as a result of the scam and her being vulnerable. As well as their obligation to process payments, Clydesdale should also be alert to potential fraud, scams and the misappropriation of funds. But with thousands of payments being made each day, it's not possible or reasonable to expect Clydesdale to be involved in every payment. There is a balance to be struck between stopping and checking payments and allowing customers ready access to their funds.

And in the circumstances of this complaint, with the sums involved and the prior activity on Miss B's account, I don't think it was unreasonable for Clydesdale to not do more than they did before processing each payment. I appreciate Miss B thinks Clydesdale should have called her and provided warnings, but I'm not persuaded that is a reasonable or proportionate expectation in the circumstances here. I can't say Clydesdale have acted unfairly by processing the payments without doing more than they did first.

Once Miss B had informed Clydesdale that her payment had been made as the result of a scam, I can see that Clydesdale attempted to contact W but didn't get a response. The only possible avenue for recovery would be the chargeback scheme. But here, there is no suggestion that W didn't do what was expected of them. That being sending on the funds as requested by Miss B at the time. So I don't think there was any reasonable prospect of Clydesdale making a successful recovery.

I've also seen nothing to suggest that Miss B had informed Clydesdale of her vulnerabilities and difficult personal circumstances prior to raising her claim. And as I don't think this is something that I could reasonably have expected them to have ascertained themselves, I don't think Clydesdale should have done anything differently.

I appreciate Miss B says other banks that she made payments from (towards the same scam) have refunded her as a gesture of goodwill. So, I can understand why she'd like Clydesdale to do the same. But Clydesdale aren't obliged to follow the decisions made by other banks. And as I've mentioned above, I can only make an award where I think it is fair and reasonable to do so. And whilst I sympathise with Miss B's situation, being a victim of a scam doesn't automatically entitle her to a refund from Clydesdale.

I've also considered the £75 compensation that Clydesdale paid to Miss B. In the context that this was for some delays in answering her fraud claim, I think this is fair. Any investigation will always take some time. And I can see that some of this was due to Clydesdale awaiting a response from W. I can also see that Clydesdale provided updates when Miss B chased. So I don't think the investigation taking longer than otherwise might have been expected had a significant impact on Miss B and I think the £75 is a fair way to put things right.

I'm sorry this isn't the outcome Miss B was hoping for. But I hope the fact that this has been independently reviewed is of at least some reassurance to her.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 1 January 2024.

Richard Annandale
Ombudsman