

## **Complaint**

Mr V is unhappy that Bank of Scotland plc won't reimburse him after he fell victim to a scam.

## **Background**

In late 2022, Mr V fell victim to a task-based affiliate marketing scam. He was browsing a social media platform and saw an advert for a job. He followed a link on the advert which led to him communicating with someone on a messaging platform. They explained the details of the role to Mr V. It seems to have been based on the notion that Mr V could help a business simulate increased buyer demand on third-party platforms, such as Amazon.

He would place orders through the scammer's platform, which he'd fund by transferring cryptocurrency from his own e-wallet to one controlled by the scammer. He was promised that he'd earn commission that would greatly exceed the amount he'd have to pay to participate in the program. In total, Mr V lost £3,249.98 to the scammer.

Once he realised he'd fallen victim to a scam, he notified Bank of Scotland. It investigated, but it didn't agree to refund his money. It said that he didn't do anything to verify that he was talking to a genuine company or do any research of his own. It also said that it did block one of Mr V's payments and spoke to him about it to check it wasn't fraudulent. The answers he gave to the employee of the bank weren't accurate and so it wasn't possible for it to protect him from this scam.

Mr V wasn't happy with the response he received from the bank and so he referred his complaint to this service. It was looked at by an Investigator who didn't uphold it. Mr V didn't agree with the Investigator's view and so the complaint has been passed to me to consider and come to a final decision.

## **Findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Under the relevant regulations, the starting point is that Mr V is liable for any payment that he's authorised. He made these payments of his own volition and so he is presumed liable at first instance.

However, that isn't the end of the story. As a matter of good industry practice, Bank of Scotland was expected to be on the lookout for unusual or out of character transactions that might have indicated that Mr V was at risk of financial harm due to fraud. On identifying such a transaction, I'd expect it to respond to the risk in a proportionate way – for example, by temporarily blocking a payment and talking to its customer to ensure that they're not at risk of fraud.

That did happen here. Mr V authorised a payment of £720.98 and Bank of Scotland temporarily blocked the payment and asked him to call. When Mr V spoke with the bank, the call handler asked him whether he was making the payment on behalf of someone else or

for himself. He responded that he was making it for himself. He was also asked whether he'd been asked by someone on social media to make the transactions and he said that he hadn't.

Mr V has accepted that he didn't answer these questions truthfully but says he was worried about losing the commission payment he thought he was entitled to. From what he's told us, he wasn't asked by the scammer to mislead the bank. Unfortunately, I don't think it would be fair and reasonable for me to ask Bank of Scotland to reimburse him when it did what I'd have expected it to do. It couldn't realistically have protected Mr V from the scam unless he answered the call handler's questions honestly.

I also understand that several months earlier, Mr V began to receive treatment for mental health difficulties, and he was continuing to receive treatment at the time of the scam. He's said that these difficulties essentially meant that he was more vulnerable to the scam than he otherwise would've been. I sympathise greatly with difficulties Mr V has experienced and I can accept that it's likely he was more at risk because of his mental health difficulties. However, from the evidence I've seen, Bank of Scotland wasn't aware of what Mr V was going through at the time and so it wouldn't have had any reason to treat payments from his account with greater caution or to handle the conversation it had with him in a different way.

For completeness, I also considered whether Bank of Scotland could've done more to help Mr V once it became aware that he'd fallen victim to a scam. I don't think it could've done anything to recover the funds – Mr V made the payments to an e-wallet that was in his own name before they were converted to cryptocurrency and transferred to the fraudsters, so by the time he'd told the bank what had happened, the funds had already been moved on. I also agree with the Investigator that a chargeback wouldn't have any prospect of success here.

I don't say any of this to downplay or diminish what Mr V has been through. He has certainly been the victim of a manipulative and cruel scam. However, my role is limited to considering the actions and inactions of the bank. Overall, I'm not persuaded that Bank of Scotland did anything wrong here.

### **Final decision**

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 13 October 2023.

James Kimmitt  
**Ombudsman**