

The complaint

Ms F is complaining that Think Money Limited won't refund the money she lost in a scam.

What happened

On 26 March 2023 Ms F received a message from someone pretending to be her son. The message said that he was messaging from a new number as he'd broken his phone, and his bank card had been frozen for security reasons. He asked Ms F to pay some urgent bills for him.

Ms F asked some questions which the scammer was able to answer. She believed the scammer was her son and made a payment of £1,319.84 to a new payee the scammer asked her to set up, through her Think Money banking app.

The scammer asked Ms F to make another payment and she realised that she may not be speaking to her son. She didn't make the other payment and contacted her son on his existing phone number. Her son confirmed that he hadn't asked her to make any payments and Ms F realised she had been scammed.

Because it was a Sunday, Think Money's phone lines were closed. Ms F tried to contact Think Money on their out of hours phone number but she wasn't able to get through. She did contact them the next day to report the scam.

Think Money attempted to recover the payment Ms F had made to the scammer but the receiving bank confirmed the money had been removed from the account. Think Money investigated what had happened, and told Ms F they wouldn't be refunding the money she'd lost.

Ms F brought her complaint to our service. Our investigator looked into Ms F's complaint but didn't recommend that Think Money should refund the scam payment. Ms F didn't agree, so her complaint's been passed to me for review and a 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.

I'm very sorry to learn about what happened to Ms F. There's no dispute that she's been the victim of a scam, and so I can understand why she would think she should receive a refund of the money she lost in the scam. But I don't think that I can fairly say that Think Money should refund the money Ms F lost. I'll explain why.

It's not in dispute that Ms F authorised the payments. And Think Money have a duty to act on Ms F's instructions. But in some circumstances, Think Money, as a regulated electronic money institute (EMI) should take a closer look at the circumstances of the payments – for example, if they ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, they should intervene, for example, by contacting the customer directly, before releasing the payments. But I'd expect any intervention to be proportionate to the circumstances of the payment.

Think Money have shown us Ms F received a scam warning when she set up the payment to the scammer. They've sent us a screenshot of the warning Ms F would have received. Ms F had selected the reason for the payment as 'friends and family' and the warning described the sort of scam Ms F was experiencing. It explained that if the request for payment had been made on social media, a dating site or a messaging app it may be fake, and part of an impersonation scam. It advised Ms F to call the person on a trusted number, and to not send the payment if she was unsure, as Think Money may not be able to get the money back. Ms F confirmed she was happy to continue after being given this warning.

I've thought carefully about the circumstances here. It looks like Ms F used her account with Think Money regularly, and she often made payments in the region of £400 or £500. Although the scam payment was higher than the regular payments Ms F usually made from her account, it wasn't significantly higher, nor was it a particularly significant amount that might generally trigger a business to contact their customer directly before allowing the payment to be made. Taking this into account, I think the scam warning Think Money gave Ms F was sufficient. I don't think they ought to have done any more to contact Ms F before releasing the payment in the circumstances.

There are industry standards around attempting recovery of funds where a scam is reported. Think Money should have attempted to recover Ms F's payments immediately on being told of the scam. And I can see that Think Money did contact the receiving bank to attempt recovery on the day Ms F spoke to them to report the scam. The receiving bank replied around a week later to confirm there were no funds available to recover.

Ms F did attempt to contact Think Money to report the scam on the same day it had happened – but this was a Sunday and Think Money's general phone lines were closed. Think Money say they do have a record of Ms F attempting to contact their out of hours phone line, but the calls didn't come through successfully and they can't say why. But they also say the out of hours phone line was for lost and stolen cards only and they don't have an out of office hours facility for reporting a fraud or scam. So, I think even if Ms F had been able to speak to Think Money on the same day the scam took place she wouldn't have been able to report the scam any earlier than she did, when Think Money's general phone line opened the next day.

I appreciate it's frustrating for Ms F that she wasn't able to report the scam on the day it happened, but overall I don't think it would have made a difference to the outcome. A faster payment can't be cancelled or recalled so Think Money wouldn't have been able to stop the payment once it had been sent. It also took some time for the receiving bank to action and respond to Think Money's recovery request, so I think it's unlikely the money would have been successfully recovered even if the recovery attempt had begun a day earlier.

I know this outcome will be very disappointing for Ms F, particularly in light of what she has told us about the impact of this scam and the loss of these funds, and I'm sorry for this. However, for the reasons I've explained, I don't think Think Money should have done more to prevent her loss. So, it wouldn't be reasonable for me to ask them to refund the payment she made.

My final decision

My final decision is that I'm not upholding Ms F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 30 December 2023.

Helen Sutcliffe
Ombudsman