

The complaint

Mr F complains that The Royal Bank of Scotland Plc ("RBS") have failed to refund money that Mr F lost as part of an investment scam.

What happened

Mr F was contacted after signing up to an online company by someone who said they worked for what claimed to be an AI quantitative trading company that I will call B. From what I can see he made the following debit card payments to Coinbase which were used to buy cryptocurrencies and were then forwarded onto B.

The payments made were as follows;

Transaction Number	Date	Merchant	Amount	Running Total
1	17/06/2022	CB Payments	£100	£100
2	17/06/2022	CB Payments	£105.93	£205.93
3	23/06/2022	CB Payments	£100.26	£306.19
4	25/06/2022	CB Payments	£264.78	£570.97
5	04/07/2022	CB Payments	£1,000	£1,570.97
6	11/07/2022	CB Payments	£2,000	£3,570.97
7	12/07/2022	CB Payments	£1,000	£4,570.97
8	19/07/2022	Coinbase	£314.82	£4,885.79

Mr F tried to withdraw some of the funds that he had paid to B but was unable to, at this point he realised he had been scammed.

Mr F raised a complaint with RBS as he believed that RBS should have stopped him from making the payments in question.

One of our investigators looked into this matter they decided that the transactions were not sufficiently out of character to warrant an intervention by RBS and that there were no other means of RBS recovering the funds.

Mr F did not agree with this and therefore his complaint was passed to me to issue a final 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 Mr F authorised the disputed payments he made to Coinbase using his RBS debit card (where his funds were subsequently transferred on to the scammers from his crypto wallet). The payments were requested by him using his 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 Mr F 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. However, having taken Mr F's account activity and limited payment history into account, I do not think the payments he is disputing should have been regarded as particularly unusual.

I note that there was an intervention in relation to the first payment but that was limited to RBS making sure the payment was authorised. I don't think that RBS needed to do more.

The remaining payments were not of such a large amount that they would represent a significant deviation from what would be considered as 'usual' activity. I accept that the £2,000 payment does represent a larger payment than Mr F usually made, but not sufficiently so, in my opinion, to have necessitated an intervention from RBS. Especially as five other payments had been made to the same account over a four-week period.

So, having considered the payments Mr F made, I'm not persuaded there was anything that ought reasonably to have triggered RBS's fraud monitoring systems (apart from the first payment being checked that it was genuine), or that would have indicated he was in the process of being scammed. I therefore do not consider there to have been any obligation on RBS to have intervened any further

I've also thought about whether RBS did enough to attempt to recover the money Mr F lost, as there are some instances where debit card transactions can be refunded through making a chargeback claim.

In this case, a chargeback would not have been successful, as the transactions Mr F used his debit card for was to pay Coinbase for the purchase of cryptocurrency, which he duly received. It was only when the cryptocurrency was transferred from his crypto wallet to the scammer did the loss then occur. So, he could not claim that he did not receive the goods or services paid for from his RBS account, which was the purchase of the cryptocurrency. As a result, I don't think RBS have acted unreasonably by failing to pursue a chargeback claim here.

In relation to recovering the funds by other means, given that the payments were via debit card, I don't think that there were any other means of RBS recovering the funds in question.

I appreciate this will come as a disappointment to Mr F, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that RBS can fairly or reasonably be held liable for his 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 Mr F to accept or reject my decision before 16 November 2023.

Charlie Newton
Ombudsman