

## **The complaint**

Mr O complains that ClearBank Limited didn't do enough to prevent the loss he suffered when he sent money to one of their customers 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 a brief overview of some of the key events here. In October 2022 Mr O was sadly the victim of a scam. A scammer tricked him into sending a payment for £2,900 from his account with 'W' to an account held with ClearBank. At the time Mr O believed he was making a booking on a well-known website.

Once he realised he'd been a victim of a scam, Mr O reported this to W and ClearBank. Complaints were also made about both banks. A complaint about W's actions has already been considered by one of my Ombudsman colleagues. She upheld the complaint in part and directed W to pay Mr O £4.49 (plus interest). This still leaves Mr O with the majority of his loss which he is seeking to recover from ClearBank.

One of our Investigators considered the complaint but didn't recommend it should be upheld. In summary he didn't think there were failures by ClearBank in relation to the outstanding loss.

Mr O disagrees and has asked for an Ombudsman to review his 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.

I'm satisfied that ClearBank correctly followed their account opening process for the account that received money from Mr O. I don't think there was anything at that stage that would have indicated that the account might later be used in connection with a fraud or scam. So, I don't think ClearBank could have prevented Mr O's loss in relation to the opening of the account.

I've also considered the activity prior to Mr O's payment crediting the account, its arrival and how these funds were spent. But I'm not persuaded that any of the activity ought to have alerted ClearBank to the possibility of fraud. I'm satisfied none of the account activity ought to have stood out to ClearBank as so unusual or suspicious such that they ought to have done more. So, in relation to Mr O's outstanding loss, I don't think there have been any failings by ClearBank regarding the monitoring of the recipient account, so I can't say they missed an opportunity to prevent Mr O's loss in this way.

I'm also satisfied that ClearBank took appropriate action in relation to the recipient account upon being notified that Mr O's payment was as the result of a scam. And the funds from the payment that represents Mr O's outstanding loss were spent very soon after they were

received and before ClearBank knew or reasonably could have known they were the proceeds of a scam. So, I don't think ClearBank did anything which negatively impacted the chances of a successful recovery.

I appreciate Mr O has also asked ClearBank to share details of the accountholder with him so he can take this to the police. He's also asked our service to confirm the details for who he believes received the payment. Unfortunately, data protection laws prevent both ClearBank and our service sharing this information with Mr O. However, I'm confident that a regulated business such as ClearBank will share information with the police upon a request from them to do so.

I'm sorry to hear Mr O lost money to a scammer. But as I don't think ClearBank are responsible for anything that caused the loss or hindered its recovery, there isn't a reasonable basis upon which I can direct them to do more to resolve this complaint.

### **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 Mr O to accept or reject my decision before 18 October 2023.

Richard Annandale  
**Ombudsman**