

## **The complaint**

Mr E complains that The Royal Bank of Scotland Plc (“RBS”) won’t refund over £43,000 he lost to an investment scam.

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will focus on giving the reasons for my 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 E authorised the disputed payments he made to his Revolut account from his RBS account (where his funds were subsequently transferred on to the scammer). 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’ve done more to prevent Mr E 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.
- It’s accepted that some of the payments Mr E made were unusual given that they did trigger the bank’s fraud prevention systems and were automatically blocked pending further enquiry – such as the payment of £4,900 made on 28 October 2022. Accordingly, it’s just a question of whether RBS went far enough in all the circumstances with its intervention.
- When RBS spoke to Mr E, it asked him what the payment being made to Revolut was for. However, he didn’t provide an honest answer and told the bank that he was building a house and that he will be using the Revolut account to pay for materials. I appreciate this was because Mr E had been coached by the scammer to lie if he was questioned about the payments. But as a result, I’m not persuaded there was anything further RBS could’ve done to prevent the scam in these circumstances.
- Mr E did not tell RBS at any point that he was going to be investing his money in cryptocurrency or was dealing with a third-party broker. If he had, then I accept it would have been incumbent on RBS to maintain suspicion about the payment and probe further into the circumstances. But seeing as Mr E was not forthcoming with these details, I don’t think there was any failing on the bank’s part to probe any further into how he came to be making the payment, as Mr E had confirmed that it was going towards building a house. It was based upon the answers he gave that RBS was satisfied the payment wasn’t likely being made as part of a scam.

- Therefore, I don't consider it would be fair and reasonable to hold RBS liable for Mr E's loss, because it seems more likely than not that he would have continued to provide misleading answers even if RBS had questioned him further or intervened on any subsequent payments.
- I also don't think there was anything more RBS could've done to recover the money Mr E lost either. There would've been no prospect of recovering the funds from the receiving account, given we know this account was controlled by Mr E, who had already transferred the money on to the scammer by the time the fraud had been reported.

I appreciate this will likely come as a disappointment to Mr E, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded 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 E to accept or reject my decision before 20 February 2024.

Jack Ferris  
**Ombudsman**