

The complaint

Mr and Mrs B complain that Clydesdale Bank Plc trading as Virgin Money (Clydesdale Bank) didn't do enough to prevent the loss they suffered when they sent money to a Clydesdale Bank customer as the result of a scam.

Whilst the loss comes from a joint account, for ease of reading and as he's done most of the correspondence on the complaint, I'll mostly just refer to Mr B where I mean both him and Mrs B.

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 December 2020 Mr B was sadly the victim of a 'safe account' scam. A scammer tricked him into sending seven payments totalling around £58,000 from his account with Clydesdale Bank to another customer of the same bank.

Mr B reported the scam to Clydesdale Bank who initially refunded the final five payments he'd made. Following the involvement of our service on a separate complaint, the second payment was also refunded. But this still left Mr B with a loss of around £5,000 which represents the first payment he made to the scammer.

Mr B raised a further complaint with Clydesdale in relation to the recipient account. He thinks their actions in relation to that account could have prevented his outstanding loss.

One of our Investigators considered the complaint but didn't recommend it should be upheld. In summary she said she couldn't consider Clydesdale Bank's actions when opening the recipient account as that fell outside of our jurisdiction. And she didn't think there were other failures by Clydesdale Bank in relation to the outstanding loss.

Mr B 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.

Much of Mr B's submissions in support of his complaint refer to Clydesdale Bank's actions as his own or the 'sending' bank. A complaint about that has already been considered and dealt with by one of my Ombudsman colleagues. So that isn't something I can comment on here. I'll keep my findings to Clydesdale Bank's actions in relation to the recipient account.

As our Investigator has already explained, our jurisdiction only allows me to consider Clydesdale Bank's actions (in relation to the recipient account) that took place on or after 31 January 2019. So, my comments below are made in the context of that timeframe.

The Lending Standards Board's Contingent Reimbursement Model Code ('the CRM Code') is a voluntary scheme through which victims of scams can sometime receive reimbursement from the banks involved. I'm satisfied the CRM Code isn't a relevant consideration for this complaint as Clydesdale Bank weren't a signatory to the scheme at the time of Mr B's payments to the scammer. The CRM Code is a voluntary scheme, and I can't fairly criticise Clydesdale Bank for not joining it sooner.

The only loss remaining is the first payment Mr B made to the recipient account. So, I've considered the activity prior to this payment crediting the account, its arrival and how these funds were spent. I'm satisfied none of the account activity ought to have stood out to Clydesdale Bank as so unusual or suspicious such that they should have done more. So, in relation to Mr B's outstanding loss, I don't think there have been any failings by Clydesdale Bank regarding the monitoring of the recipient account, so I can't say they missed an opportunity to prevent Mr B's loss in this way.

I'm also satisfied that Clydesdale Bank took appropriate action in relation to the recipient account upon receiving notification from Mr B. And the funds from the payment that represents Mr B's outstanding loss were spent very soon after they were received and before Clydesdale Bank knew or reasonably could have known they were the proceeds of a scam. So, I don't think Clydesdale Bank did anything which negatively impacted the chances of a successful recovery.

I'm pleased Mr and Mrs B were able to recover the majority of their funds. And I acknowledge they still have a loss of around £5,000. But in the context of this complaint, as I don't think Clydesdale Bank did anything that caused or contributed to the outstanding loss, or hindered its recovery, there isn't a reasonable basis upon which I can require them to do more.

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 B and Mrs B to accept or reject my decision before 15 August 2023.

Richard Annandale
Ombudsman