

## **The complaint**

Mr S complains Clydesdale Bank Plc trading as Virgin Money ("VM") didn't do enough to safeguard him against fraud. Mr S is represented by his sister, Mrs G.

## **What happened**

Mr S has a bank account with VM. He operated the account with support from his mother. When his mother passed away, Mrs G stepped in to support Mr S with the account. Mrs G found some historical transactions suspicious and concluded Mr S was being taken advantage of by a 'friend' he'd met online. She says between October 2020 and April 2022 Mr S was deprived of about £4,500. Mrs G considers VM should reimburse Mr S because it didn't do enough to safeguard him. VM didn't think it had done anything wrong, so it declined Mrs G's request for reimbursement. Mrs G asked our service for an independent review.

The Investigator didn't find VM had acted unfairly. He said, in summary, that he wasn't persuaded VM was on notice Mr S needed additional support, that the account was run well, that the disputed transactions didn't stand out, and that therefore VM weren't to know Mr S was being coerced to make payments to a third party. Mrs G remained of the opinion VM should have known Mr S was vulnerable and noticed something was amiss through the locations, frequency and change in spending patterns. As an agreement couldn't be reached the complaint has been passed to me to decide.

## **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.

Mrs G says the VM branch staff should have identified Mr S was vulnerable and someone whom, due to his personal circumstances, is especially vulnerable to detriment. VM says it wasn't aware Mr S needed any specific support. I'm not persuaded VM knowing more about Mr S' circumstances would have made a material difference in what happened here. I'll explain why.

Mr S has had an account with VM for many years. As I understand it, he only had access to a debit card. There was no credit facility. This is the sort of set up generally needed for day to day living/activities, hence the provisions of the Payment Account Regulations (PARs) 2015. As far as I'm aware, VM wasn't on notice, and still isn't, that Mr S isn't entitled to - or incapable of operating - a bank account.

VM has a duty to monitor customer accounts for fraudulent – or otherwise suspicious – activity. There are well known trends for this, such as, but not limited to; unusually large transactions; unusually large numbers of transactions, especially in a short space of time; new payees for online payments. I have reviewed Mr S' account history and statements. I make the following observations:

- The bulk of Mr S' alleged loss is from cash withdrawals at ATMs, usually for £250, over a roughly 18-month period. Mrs G says – and has provided some evidence to

support – that this cash was posted by Mr S to his ‘friend’. Transactions of this type wouldn’t ordinarily cause suspicion as they require the card and PIN. I’m not persuaded they ought reasonably to have caused VM concern with Mr S’ account because of this, and because he often made similar withdrawals in the period before this matter is said to have occurred.

- The other transactions were predominantly for takeaways. They’re usually for around £30 and are spread out over about 15 months. While some of these had transaction details showing a city other than the one in Mr S’ locality, I’m not persuaded this was enough to put VM on notice that Mr S was being coerced into making them and/or authorising them.
- Mr S managed his account well. His balance remained in credit throughout the period in question. He didn’t go overdrawn. He didn’t incur interest or charges. No payments bounced. And there’s no suggestion of him borrowing money to maintain his outgoings. There were, in other words, no signs of hardship on the account which would require VM to intervene.
- In mid-2020 VM blocked payments to two money remittance services. This demonstrates it was monitoring Mr S’ account. These blocks led to a branch visit from Mr S. He said - according to the contemporaneous notes – he didn’t make the payments. The payments remained blocked.

Mrs G says the blocking of payments to the two money remittance services was a missed opportunity for VM to step in to support Mr S. VM’s notes do show it thought Mr S might be vulnerable. However, when asked to attend branch, he did. And when he said he hadn’t made the payments, this was acted upon. In the absence of any other specific concerns, I’m not persuaded there was more VM could have practically done. Blocking fraudulent payments isn’t uncommon. Suspending Mr S’ account wouldn’t have been proportionate and would likely have caused him distress and, perhaps, harm. And there wouldn’t have been enough to reasonably justify an intervention by the Police.

I have a great deal of respect for the efforts of Mrs G in supporting Mr S, and I’m sorry if he has lost out in the way she says he has. I must, however, approach this matter objectively. And having done so, I don’t find I can fairly and reasonably require VM to reimburse Mr S given I don’t find it is responsible for his alleged loss.

### **My final decision**

I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 19 September 2023.

James Langford  
**Ombudsman**