

## **The complaint**

Mr H complains that The Royal Bank of Scotland Plc (RBS) didn't do enough to protect him when he made two payments to two separate property investment opportunities he now considers were scams.

## **What happened**

In May 2018 Mr H paid £10,000 towards a property development investment with 'H'. He then made a separate £10,000 payment for fixed rate bonds in a different investment relating to property development in January 2019 with firm 'W'. Mr H now says both investments were scams and RBS should've done more to protect him at the time he invested.

RBS didn't uphold Mr H's complaint and didn't agree the investments were scams. Mr H came to our service, but our investigator also didn't uphold his complaint. Mr H, via a representative, asked for 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.

I've considered longstanding regulatory expectations and requirements, and what I consider to be good industry practice for firms when processing payments. In line with this, RBS ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Mr H's payment to H was for £10,000 in May 2018. Given its value, I consider RBS ought to have asked some questions about the purpose of the payment to understand better what he was doing. RBS has shown the online warning that would've been provided to Mr H at the time if he'd selected 'Investments' as the payment purpose. This warning explained about scams and suggested to Mr H that he could take the "Financial Conduct Authority Scam Smart test".

Our investigator didn't consider RBS needed to intervene more than this. But they also covered off how they considered the conversation would've gone if they had. I think it would've been appropriate to speak to Mr H on this occasion, this was a high value payment and out of character. But I'm in agreement that this conversation wouldn't have changed Mr H's decision to invest.

I'm not persuaded the kind of information I'd expect RBS to have shared with Mr H would've prevented the payment from being made. H was a legitimately registered company at the time Mr H paid into it, and RBS wouldn't have been aware what would later happen with regards to Mr H's loss. Mr H hasn't provided us with any detailed information around the literature he received for the investment or his understanding of it at the time. But more generally I'm aware that H provided persuasive and comprehensive literature to investors which set out how it operated, and the returns expected for investors. So there wasn't concerning information available at the time Mr H was making this payment.

Mr H's representative has acknowledged that RBS wasn't required to provide investment advice to him, or protect him from "bad bargains". However it's also stated that Mr H would've reconsidered his position based on comprehensive financial advice from RBS. But, as his own representative has acknowledged, RBS wasn't required to provide this advice. And as above, I'm not satisfied that a conversation with Mr H when he made the payment would've prevented him going ahead.

I've then separately considered the payment Mr H made to W for £10,000 in January 2019. This was a separate investment opportunity, but my findings for this payment mirror that of the payment to H.

This payment was also out of character for Mr H's account, but again we're aware that W had produced plausible promotional material for its potential investors. It seems highly unlikely that a conversation with RBS would've prevented Mr W going ahead with the investment when he likely held this information. And there also wasn't anything obviously concerning about W available at the time of the payment.

Mr H's representative has said that RBS should've advised him around the risks associated with unregulated investments. But, as above, it wasn't for RBS to advise Mr H – if he wanted financial or investment advice, he needed to arrange for this himself.

I appreciate Mr H is now in a position where he's lost out financially due to these investments. But I don't consider his loss is the result of any failings by RBS.

### **My final decision**

For the reasons set out above, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 18 December 2024.

Amy Osborne  
**Ombudsman**