

The complaint

Mr and Mrs K complain Al Rayan Bank PLC didn't do enough to protect them when they fell victim to an investment scam.

What happened

Mr and Mrs K have a joint account with Al Rayan Bank and accounts elsewhere too.

Mr K says he was looking to invest when he was introduced by a friend to an individual who spoke to him about gold. He says they met on several occasions and they spoke for a couple of months and in October 2021 he bought half a kilo of gold. He says he was told the gold would be made into jewellery and sold to make a profit. He invested just over £20,000 and received returns – all paid in cash.

Mr K says he subsequently sold a property and was looking for somewhere to invest the sale proceeds. He says the person he'd been dealing with suggested an alternative way of investing in gold which he went ahead with. He says he paid £180,000 towards this investment from his joint account with Al Rayan and wasn't warned about scams at the time. Mr K says a friend of his – who had also invested – told him two weeks later that the investment had collapsed. He says he spent a year trying to get his money back and having failed to do so contacted Al Rayan Bank complaining that it hadn't warned him about scams.

Al Rayan Bank looked into Mr and Mrs K's complaint and said that it hadn't done anything wrong and couldn't refund them. Mr and Mrs K were unhappy and complained to our service.

One of our investigators looked into Mr and Mrs K's complaint and said essentially that the evidence we'd seen did not suggest that they'd fallen victim to a scam and that this was instead a civil dispute. Mr and Mrs K weren't happy with our investigator's recommendation and asked for their complaint to be referred to an ombudsman for a decision. Their complaint was, as a result, passed to me.

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 listened to calls between Mr K and Al Rayan Bank when he wanted to make the £180,000 payment Mr and Mrs K are complaining about. Having done so, I'm satisfied that Al Rayan Bank wanted to make sure that Mr K was making the payment to the right person, and that Al Rayan Bank did the type of checks you'd expect to make sure that Mr K wasn't dealing with someone who was impersonating what otherwise appeared to be a legitimate business. I can see that Mr and Mrs K believe that Al Rayan Bank should have gone further and should have warned them about scams, saying they would have done more checks had it done so. I agree, however, with our investigator that before deciding whether or not a bank should be liable for missing an opportunity to prevent a loss there has to be evidence that the customer has actually been the victim of a fraud or scam. In this case, based on all the evidence we've seen, I don't agree that there is such evidence. In other words, I agree that this is a civil dispute.

If in the future, new material evidence comes to light which establishes that this was an authorised push payment fraud, then Mr and Mrs K can ask Al Rayan Bank to reconsider at that point. But as things stand, I don't think it's fair and reasonable to require Al Rayan Bank to refund Mr and Mrs K.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K and Mr K to accept or reject my decision before 17 December 2024.

Nicolas Atkinson
Ombudsman