

The complaint

Mr H complains that Bank of Scotland plc (trading as “Halifax”) won’t refund over £22,000 he lost to an investment scam beginning in June 2022.

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 and have decided not to uphold it for the following reasons:

- It isn’t in dispute that Mr H authorised the disputed payments he made to his E-Money account using his Halifax debit card (where his funds were subsequently transferred on to the scammer from that account). The payments were requested using his legitimate security credentials provided by Halifax, 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 Halifax should have done more to prevent Mr H 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.
- I appreciate that overall, Mr H has lost over £22,000 which is a significant amount of money. But this amount wasn’t paid in one large or ‘out of character’ transaction. It was spread over 11 smaller payments across the space of three months, which, in my judgment, would not have appeared particularly unusual or out of character when compared with Mr H’s spending history, such that they ought to have been regarded as suspicious or indicating that he might have been at risk of financial harm.
- The most Mr H paid in any one day was for just over £4,700 across two payments, for example. And given the payment was being paid to a legitimate and regulated firm, I don’t think the value, frequency or circumstances of the payments would have been enough to indicate a heightened risk of financial harm. I appreciate that a loan had also recently been paid into Mr H’s account as well. But it’s not overly unusual for an account to see outward payments being made after a large credit has been received.
- So, having considered the payment Mr H made as part of the scam, I’m not persuaded there was anything that ought reasonably to have triggered Halifax’s fraud monitoring systems, or that would have indicated he was in the process of being scammed.
- I also don’t think there was anything more Halifax could’ve done to recover the money Mr H lost either. In terms of the payments made to his E-Money account, a chargeback

would've had little prospect of succeeding given these were payments made to an account in Mr H's own name, rather than for any particular goods or services. I understand that the initial payment of £349.56 he made as part of the scam did go directly to a merchant. But a chargeback claim also wouldn't have succeeded for this payment given it had been disputed outside the 120-day timeframe allowed for such claims.

- I understand that the scammer applied for a loan with Halifax through remote access software on Mr H's computer, which was used to fund part of the investment. He says the scammer told him he could use the returns on his investment to repay it within 14 days, so he transferred the loan proceeds to the scammer after they were paid into his account. I can see that, after referring the matter to this service, Mr H has since questioned why the loan was approved as he'd been refused a loan on a previous occasion. However, the complaint Mr H made to Halifax in January 2023 did not raise any concerns regarding the affordability of the loan, or whether it's fair for Halifax to continue to hold him liable for it. The complaint was focused on Halifax failing to prevent the scam and requesting that it refund the money he'd lost. Therefore, if he now wishes to pursue a complaint about the affordability of the loan or whether Halifax has lent responsibly, he will need to raise this as a separate complaint with the bank in the first instance.

I appreciate this will likely come as a disappointment to Mr H, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded Halifax has acted unfairly 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 H to accept or reject my decision before 9 May 2024.

Jack Ferris
Ombudsman