

## **The complaint**

Miss G is complaining that Bank of Scotland plc trading as Halifax won't refund the money she lost in a scam.

Miss G's partner is representing her in bringing this complaint.

## **What happened**

In November 2022 Miss G was contacted by a scammer on social media. The scammer told her she'd won a substantial amount of money on the postcode lottery, and in order to process her winnings she'd need to buy vouchers and send them the codes.

Miss G went into a supermarket to buy the vouchers. She purchased £600 of vouchers, using her debit card to make six chip and PIN and contactless payments of £100. She sent the codes to the scammer.

The following day she returned and again using her debit card bought £400 of vouchers. She also sent these codes to the scammer.

Miss G then received more social media messages from some people who said they were working for the police. They told her a scammer had intercepted the voucher codes she'd sent and that they were in custody. They told her that to receive her lottery winnings she'd need to send the processing fee again via a mobile payment service called Cash App.

Miss G attempted to send further payments using her debit card via Cash App but Halifax initially blocked the payments. They called Miss G to talk about why she was sending the money. During the conversation Miss G said she was transferring money to a family friend to pay bills, and she was sure the payments were genuine. After the conversation Halifax lifted the block to allow the payments to go through. Miss G made five payments totalling £1,550 between 28 November 2022 and 10 December 2022.

Miss G's partner realised she'd been scammed and around 11 December 2022 they contacted Halifax to report the scam. Miss G's partner spoke to Halifax again about the scam on 15 December 2022, explaining that Miss G was vulnerable and so was susceptible to the scam.

Halifax looked into what had happened but they didn't agree to refund the money to Miss G, and Miss G brought her complaint to us.

Our investigator didn't think Halifax needed to refund Miss G's payments. Miss G didn't agree, so her complaint was passed to me for review and a decision.

I issued my provisional decision on 7 December 2023. I decided, provisionally, that I wasn't going to uphold Miss G's complaint. This is what I said.

*I'm sorry to learn about what happened to Miss G. It's clear that she's been the unfortunate victim of scam, and so I can understand why she'd think her money should be refunded. But*

*from everything I've seen so far I don't think that I can fairly say that Halifax should refund the money she lost in the scam. I'll explain why.*

*It's not disputed that Miss G authorised the payments. And Halifax have a duty to act on her instructions. But in some circumstances a bank should take a closer look at the circumstances of the payments – for example, if they ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, they should intervene, usually by contacting the customer directly, before releasing the payments.*

*I don't think the purchase of the supermarket vouchers was unusual in the context of the spending pattern of Miss G's account. Miss G used her Halifax account regularly for day-to-day spending in supermarkets and other shops. So, I don't think Halifax should have been alerted by the value of the payments, or the payee. Due to the quick succession of contactless transactions Halifax may have questioned whether the card was actually being used by Miss G, but Miss G was asked to enter her PIN to authorise one of the transactions. Halifax could have sent a text to confirm it was Miss G using the card, but if they'd done so Miss G would have confirmed the payment was her. I don't think, at this point, there was anything else that Halifax ought to have done.*

*Halifax did initially block the payments to Cash App and called Miss G to ask about the purpose of the payments. The adviser asked Miss G a number of probing questions about the circumstances of the transactions, which went on for some time. Miss G confirmed that the payments were to a family member but then clarified this was a family friend. She said the money was being transferred to pay bills. The adviser asked Miss G if she was sure this was genuine and not a scam and Miss G confirmed she was. They read out their summary of the conversation and Miss G confirmed it was correct. They also asked Miss G about the transactions that had taken place in the supermarket and she explained she'd carried them out and they were for Christmas shopping.*

*Miss G seemed reluctant to answer the adviser's questions, but the adviser continued to probe and clarify until she gave an answer. It's clear the adviser had suspicions about the transactions but ultimately I don't think they ought to have done any more in the circumstances. I think if Miss G had answered the adviser's questions honestly it's likely the adviser would have identified the scam. The only other action they could have taken would be to refuse to lift the block on the payments - but having thoroughly questioned Miss G, and in light of her consistent reassurance about the payment reasoning, I consider it reasonable that Halifax relied on her response and therefore processed her payment request.*

*Miss G's partner has explained that Miss G is dyslexic, and she was manipulated and taken advantage of by the scammers. I fully accept that she was manipulated by the scammers, and I do understand how upsetting this must be. But having listened to the call between Halifax and Miss G, I don't think there was anything about the conversation which ought to have put them on notice that she was particularly vulnerable to this sort of scam, such that they ought to have taken a different course of action here.*

*There are industry standards around attempting recovery of funds where a scam is reported. But the payments here were made with Miss G's debit card, and so couldn't be recalled or stopped.*

*It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. Halifax have confirmed that they didn't attempt a chargeback for the payments Miss G made. But I don't think that any chargeback would have had a reasonable chance of being successful here, even if it had been attempted. This is because Miss G received the service she'd paid for in both the purchase of the vouchers*

*and the transfer of money through Cash App.*

*I know this outcome will be very upsetting for Miss G and I'm sorry for that. But for the reasons I've explained, I've provisionally decided that I don't think Halifax should have done more to prevent her loss. So, it wouldn't be reasonable for me to ask them to refund the payments she made.*

I asked Halifax and Miss G to reply with anything else they wanted to add by 21 December 2023.

Halifax didn't reply. Miss G's partner replied to my provisional decision with the following points (in summary):

- when he realised Miss G had been scammed, he contacted action fraud immediately and Miss G was given a crime reference number - which I've not mentioned in my provisional decision;
- the scammers hacked other victims of the same scam and they then sent messages to friends of the victims telling them about how good they felt after receiving all the money - it is very easy for the scammers to build trust when they are tricking the target using this method;
- other victims of the same scam have received refunds from their financial providers; and
- Miss G was tricked into believing the scam was legitimate and the scam is still going on online and on social media.

### **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.

After reviewing Miss G's partner's response to my provisional decision, I should reiterate that I fully accept that Miss G has been the victim of a scam and was tricked into making the payments. But it doesn't automatically follow that Halifax should refund the money she lost to the scam.

For the reasons I've explained in my provisional decision, I don't think Halifax should have done more to prevent Miss G's loss, in the circumstances. And so, I don't think it would be reasonable to ask them to refund the payments she made. I do appreciate that other victims of the same scam may have received a refund, but I must reach my decision on the individual circumstances of Miss G's complaint.

I understand that Miss G and her partner feel strongly about this and I am sorry to disappoint them. But I'm not departing from my provisional decision that Halifax don't need to do anything else here.

### **My final decision**

My final decision is that I'm not upholding Miss G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 19 February 2024.

Helen Sutcliffe  
**Ombudsman**