

The complaint

Miss T complains that Bank of Scotland plc, trading as Halifax, won't refund the money she lost when she was the victim of what she feels was a scam.

What happened

In November 2022, Miss T realised the roof at her property was leaking and so tried to find someone to carry out repair work. She was recommended a roofer by a friend of hers who'd had their roof replaced by them. And after speaking with some of her friend's neighbours who'd also had work done by the roofer, she got a quote from them and agreed for them to carry out the work.

Miss T made initial payments to the roofer from her account with another bank, to bank details the roofer gave her for an account with Halifax. The work then started as agreed and Miss T made a number of further payments as requested by the roofer. The roofer then told Miss T there was a significant rodent infestation in her roof which they would need to sort out, so Miss T made further payments for this work to be done as well. And Miss T made several further payments to the roofer after this as well, to pay for both sets of work.

Unfortunately, after the last payment Miss T made, the roofer stopped coming to the property to do the work. One of Miss T's neighbours then told her the roofer had been leaving the property and not doing any work when she wasn't there, and Miss T checked the roof and saw much of the work had not been done and no sign of a rodent infestation. She then reported the payments she had made to Halifax as a scam.

Halifax investigated but said the account the payments were made to was opened correctly and it had no reason to be concerned about how it was being used. So it didn't think it had made any errors and didn't agree to refund the payments Miss T had made. Miss T wasn't satisfied with Halifax's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They were satisfied Halifax had opened the account correctly, that there wasn't anything relating to the activity on the account that should have caused it concern, and that there was nothing it could have done to prevent Miss T's loss. So they didn't think Halifax needed to refund the payment Miss T had made. Miss T disagreed with our investigator, so the complaint has been 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.

Having done so, I don't think it would be fair to require Halifax to refund the money Miss T lost. I'll explain why below.

I understand that this will be disappointing to Miss T, and I appreciate that she feels she has been the victim of a scam. But, unfortunately, being the victim of a scam doesn't automatically entitle a customer to a refund from the bank the money was sent to.

In order for me to fairly ask Halifax to refund the money she lost I'd need to be satisfied that there was some error or failing by Halifax which led to her loss. But I'm not satisfied that is the case here.

Halifax has shared information with this service in order to allow us to investigate Miss T's complaint. And while I am limited in what I can share with Miss T, I can assure her that I have carefully reviewed all the information provided before issuing this decision.

Halifax has sent us evidence of the checks it completed when the account Miss T sent the money to was opened. And from what I've seen, I'm satisfied Halifax correctly followed its account opening procedures and carried out checks to verify the identity of the named account holder, in line with its regulatory obligations. I haven't seen evidence of any failings by Halifax in relation to the opening of the account, so I don't think I can fairly say that it missed an opportunity to prevent Miss T's loss at that time.

I also don't think Halifax failed in its monitoring of the account the money was sent to. I've seen statements showing the activity on the account, which I think was in line with what would be expected of an account of this nature. And I don't think there was anything obviously erratic or too concerning about the pattern of incoming payments or spending from the account where I'd expect Halifax to have blocked the account before the money Miss T sent was spent from the account.

Finally, I've considered Halifax's actions once it was notified of the scam. But from what I've seen, the money Miss T sent had all been removed from the account it was sent to before Halifax was made aware of the scam. And so nothing I would reasonably have expected Halifax to have done would have led to any more of Miss T's money being recovered.

I'm very sorry to hear of what has happened to Miss T and I appreciate that this outcome will come as a disappointment to her. But, for the reasons I've set out above, I don't think Halifax has acted unreasonably here or that anything I would've expected it to do would have prevented Miss T's loss or recovered her money. And so I don't think it would be fair to require it to refund the money she lost.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 14 June 2024.

Alan Millward
Ombudsman

