

## **The complaint**

Mr L complains that Bank of Scotland PLC trading as Halifax won't refund a payment he had made in error to a company (E).

## **What happened**

In September 2023 Mr L made an online payment to E, of £2,000. He had made several previous payments to them. He says this was a mistake and that he had intended to transfer £200. He contacted E and was told that due to concerns about money laundering he should transfer the £200 then they would send back the £2,000. He did this but E failed to return the money.

Mr L contacted Halifax, and it agreed to try to recover the money as a payment in error (PIE). It contacted E's bank, but that bank said that they had had no reply from E so couldn't take any further action.

Halifax reported this back to Mr L, but as this was Mr L's error and no error had been made by Halifax, it said it couldn't refund the money to Mr L.

On referral to the Financial Ombudsman Service, Mr L explained that the owner of E was no longer contactable and had gone abroad. He had received a threatening message but couldn't confirm whether it was from E.

Our Investigator said that as it was an error made by Mr L, it was reasonable for Halifax to deal with this matter as a PIE claim. It had attempted to claw the transaction back and did so in a timely manner, in line with what we would expect. He said he wouldn't be asking it to take any further action.

Mr L did not agree, and believes that he was the victim of a scam. The matter has been passed to me for an Ombudsman's consideration.

## **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.

Firstly I note that, at least at the time Mr L was making payments, E was an active company registered at Companies House. He had made four previous payments to E in March and April 2023, including one payment for around £2,000, and hadn't alerted Halifax that there was anything wrong with those payments. I've noted this because Halifax would have a fraud alert system in place. There was nothing in the nature of these payments which I think would have alerted Halifax to any possible fraud.

I understand that Mr L contacted Halifax after the payment was made and he had spoken to the owner of E. He was advised that the matter would be pursued as a PIE rather than as a scam. I think that made sense because a scam is where someone is tricked into making a payment. Here Mr L said he intended to make the payment but due to an error on his part

paid £2,000 instead of £200. And E failed to return the payment.

Once it was decided that a PIE claim was appropriate, Halifax acted in a timely manner to try to recoup the money. It could only use its best endeavours to do so and as it was not at fault in the original payment being made, I can't say that it was liable when E's bank failed to get any response out of E. Mr E's information about the company indicates that it has unlawfully held onto his money. But that's not something that Halifax could have been expected to know at the time the money was transferred.

I recognise that Mr E is distressed about the matter, but regrettably I can't hold Halifax responsible for the loss of his money.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 14 June 2024.

Ray Lawley  
**Ombudsman**