

The complaint

Mr and Mrs D are unhappy that Bank of Scotland plc trading as Halifax decided not to refund them after they were the victim of a scam.

Mr and Mrs D are bringing their complaint, using a professional representative, which I'll refer to as P.

What happened

Mr and Mrs D found a motorhome online, through a well-known auction website. P has said Mr and Mrs D had been looking for several months, viewing vehicles via dealerships and private sellers on various websites.

P says when they found motorhomes they liked online, they would arrange viewings with the sellers and meet them to examine the vehicles. The website they used for this purchase, they had used many times before and trusted it. The motorhome they found was listed for £32,000 and was based 100 miles away, there were approximately 20 photos, including those of the scratches and the dashboard and interior (the advert has not been provided). It was the seller's first listing on this website, so they had no other reviews, but the advert contained a telephone number.

P says that Mr and Mrs D carried out a HPI check, using a free website, and MOT check online (although these haven't been provided in support of their claim). P says Mr D spoke with the seller who had detailed knowledge of the vehicle. The seller said it had been serviced by a local dealership, but the seller could not remember which one.

P says the seller had said he received a lot of interest and had been looking to sell the motorhome to a dealership. Mr and Mrs D agreed to pay £6,000 as a deposit to secure the motorhome, and they would travel to view it the next day before agreeing to purchase it. P says Mr and Mrs D were contacted by the seller to ask if they wanted to pay the full amount, but they declined, saying they wanted to see the vehicle first. When they travelled to the address the following day, they realised the seller was not at that address and there was no vehicle, they had been scammed.

Mr and Mrs D reported the scam to Halifax. P says they were asked questions like "did you think it was too good to be true?", which left them feeling like Halifax did not want to take any responsibility for its lack of intervention when the payment was made.

Mr and Mrs D were unhappy with the service they received from Halifax. And requested £300 in compensation, plus 8% simple interest to be added to the refund. And P added that if no refund was received it would be taking action through the civil courts and would seek recovery of the legal costs from Halifax.

In its final response Halifax said it wouldn't be refunding Mr and Mrs D. It said it provided a warning when "buying something online" was selected as the payment reason. The warning said paying by card was safer and it might be a scam if the payment couldn't be made by card.

Halifax also went on to say Mr and Mrs D did not check the seller had the right to sell the motor home, by seeing a copy of the V5. And it would've expected them to view the motorhome in person before agreeing to make any payments. The seller had no previous history on the website which should have put the consumers on alert to carry out these checks.

Halifax said it reviewed the customer service provided and didn't think any compensation was warranted. It said it raised the scam claim correctly and asked enough questions to determine what had happened.

It also said by the time Mr and Mrs D reported the scam all the funds had been spent or moved on from the beneficiary account, so their funds could not be recovered. P brought Mr and Mrs D's complaint to our service.

One of our investigators looked into things. They concluded that Mr and Mrs D had been the victim of a scam and Halifax ought to refund their losses. He said their claim was covered by the Contingent Reimbursement Model, (CRM) Code. And that Halifax had not provided an effective warning, which it ought to have done, when the payment was made. However, he considered that Mr and Mrs D did not have a reasonable basis of belief when making the payment as they did not ask to see the V5 document before transferring the money. He therefore concluded that a 50% refund would be fair in the circumstances. With both parties being held equally liable in this instance. He also recommended 8% simple interest be paid from the date the payment was declined to the date of settlement.

Mr and Mrs D disagreed and asked for an ombudsman to review the complaint. P said they could not view the vehicle because it was over 100 miles away and could therefore not view the V5 either. P thought that a 50% deduction of the refund here was harsh, given the circumstances. It argued that Mr and Mrs D had made reasonable checks with the MOT and HPI checks.

The investigator didn't agree, and suggested Mr and Mrs D could have asked to see a photo of the V5 log to verify the seller had the right to sell the motorhome.

Halifax responded to say it accepted the investigators recommendation to pay 50% of Mr and Mrs D's losses plus the 8% interest.

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 think the offer from the bank is a fair one and I'm not recommending any further refund. I'll explain why.

I agree with the investigator that this claim appears to be covered by the CRM code. And that Halifax did not meet the firms' standards under the code, by providing an effective warning. Halifax appears to accept this, given the offer it has made in line with the investigators' findings, so I don't need to comment on this further.

P says the deduction to the redress here is harsh. Again, I agree with the investigator I think this is fair in the circumstances and I'll set out my reasons below.

P, representing Mr and Mrs D have not provided any evidence at all in support of this scam claim. Whilst I do not doubt that Mr and Mrs D have been truthful about these events there is

no evidence that links the payment made with the circumstances Mr and Mrs D have described. No advert, phone records, emails, invoices, or evidence of the MOT or HPI checks they say they carried out either.

And whilst we know the name of the payee the payment was made to, there is no evidence or detail about who placed the advert and whether this was the same named person the on the bank account that received the funds. Without this its unclear whether there were any additional red flags about the payment Mr and Mrs D were making.

P says the HPI check was made on a free website and Mr and Mrs D can't recall which website. But I've found that there are no free HPI check services available. So, I have concerns about the validity of the claim that the HPI check was in fact carried out. And if that's the case, apart from seeing the pictures and potentially checking the vehicle registration (which also hasn't been provided as evidence) then I can't see that Mr and Mrs D made very many checks at all, to ensure the validity of the vehicle and the purchase they were intending to make, before agreeing to pay £6,000.

I accept, that at the point, Mr and Mrs D were making this payment this was a deposit and not the whole cost of the vehicle, so limiting the risk. But the pressure tactics to make a significant payment to an unknown person with no reassurances of their ownership of the vehicle ought to have been red flags for Mr and Mrs D, especially given they said they had been searching for several months and had arranged viewings of the other motorhomes they had been interested in.

So, on that basis I'm of the opinion that the offer from Halifax here, to refund £3,000 of Mr and Mrs D's losses plus the 8% from the date of decline is fair. I'm not minded to make a recommendation that it needs to do anything further or in addition to this.

The questions asked by Halifax appear proportionate and asking if an offer is "too good to be true" is a relevant question, in any sort of goods or purchase scam. So, on that basis I don't think Halifax needed to pay any compensation for the service it provided in handling Mr and Mrs D's scam claim and complaint.

And Halifax says the funds could not be recovered. So there's no other reason to make a further recommendation.

Putting things right

I direct Bank of Scotland plc trading as Halifax to pay Mr and Mrs D as it offered to following the investigators recommendation

- £3,000
- Plus 8% simple interest from the date of decline to the date of settlement.
- If Bank of Scotland plc trading as Halifax deducts tax in relation to the interest element of this award it should provide Mr and Mrs D with the appropriate tax deduction certificate.

My final decision

I uphold this complaint in part, and I direct Bank of Scotland plc trading as Halifax, to make the payment it has offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr D to accept or reject my decision before 17 January 2025.

Sophia Smith
Ombudsman