

## **The complaint**

Mr D complains that Bank of Scotland plc trading as Halifax has declined to reimburse payments that he made in relation to an alleged scam.

## **What happened**

As the parties are familiar with the facts of this case, I'll summarise them briefly. Mr D has brought his complaint via a professional representative, but for simplicity I'll refer to him in relation to comments made on his behalf.

After seeing an advert on social media, Mr D signed up to a training course to help him learn to trade. Related to this he also created an account with their AI trading analysis platform. Mr D made multiple debit card payments from his account with Halifax between July 2022 and September 2023 totalling around £14,000. This appears to be a mixture of payments towards the main programme and a subscription. Mr D also made payments from an account he holds with another provider which our service is also considering a complaint about separately.

Mr D says he didn't receive the service he paid for – specifically he had an issue with the availability of the mentors, and he felt misled about the time commitment he would need to make to reach the company's thresholds before he could have access to its company trading platform. Mr D describes being pressured into spending more money and this is when he realised he'd been scammed.

Halifax declined to refund any of the payments to Mr D – in summary it said there was no evidence that this was a scam and that it didn't think it should have done more to prevent the payments. It said it couldn't raise a chargeback because he had received the service he'd paid for.

When Mr D referred his complaint to our service, the investigator didn't uphold the complaint. They didn't think we had enough evidence to support that Mr D had been scammed, so they didn't think Halifax could have identified a scam had it intervened when they thought it should have. They also didn't think Halifax was unreasonable not to attempt a chargeback.

Mr D said that Halifax should have intervened as one of the payments was for £10,000 and that this would have uncovered the scam. He also provided some links to articles and reviews about the merchant to demonstrate that it was a scam.

As an agreement couldn't be reached, the matter has been passed to me for a decision by an ombudsman. This decision is only about Halifax, but where appropriate I've considered evidence provided on the complaint Mr D has raised about a different provider in relation to the same alleged scam.

## **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'm not upholding this complaint for similar reasons to the investigator.

The CRM Code (contingent reimbursement model) that Mr D has mentioned isn't applicable to the payments in dispute because it doesn't apply to card payments.

That being said, Halifax is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

However, I first need to consider in any case where an allegation of scam has been made is to determine, so far as is reasonably possible, whether the complainant has in fact been scammed. This is important because the expectation on banks and other payment service providers to be on the look-out for and protect their customers against the risk of fraud and scams isn't triggered where there has been no fraud or scam. It also wouldn't be fair to require Halifax to reimburse Mr D for funds lost to a bad bargain.

I've carefully considered the information and the arguments put forward by Mr D's representative. Having done so, I've not seen sufficient evidence to conclude that Mr D has lost money to a scam. I'll explain why.

On the evidence available, is it more likely than not that Mr D made these payments as part of a scam?

Not every complaint referred to us as a scam is in fact a scam. Some cases involve companies whose business practices were arguably unethical and/or misleading. However, whilst customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

Mr D doesn't think he's received the service he paid for and says he was misled in video calls about a number of things. But the emails he's provided of his correspondence with the supplier focus on the programme being unsuitable for him due to the time commitment needed for a novice to learn the skills required to meet their thresholds.

Mr D doesn't dispute that he's been provided with a mentor who he's had support from and access to training courses / materials which he's used. The emails also show the supplier engaged with his concerns and extended the training period.

I have considered what Mr D says he was told, and I have also considered the contractual paperwork which he signed. In this case the paperwork Mr D signed does not reflect what he says he was told in video calls.

I've considered the external blogs and reviews Mr D provided about other people's experiences with this supplier. One of the websites sets out the pros and cons of the training course and software provided and while it highlights concerns about the quality and value for money of what's provided, it doesn't conclude it's a scam. I appreciate some of the reviews from users say they also feel misled and that it's a scam, but there are also a significant number of positive reviews.

So, having weighed up the evidence available, I'm not persuaded the payments were made

for a fraudulent purpose, rather Mr D appears to have been provided with what's set out in the contract terms. While Mr D may have concerns about whether what he purchased was good value for money, that is a different matter. And as I've said, it wouldn't be fair for me to hold Halifax responsible for that.

But, even if it was a scam, I don't think that it would be reasonable to conclude that Halifax could have prevented Mr D's loss. I'll explain why.

Most of the payments were for a relatively low value and were spread out over time, so I'm not persuaded there is anything about those payments that ought to have looked suspicious to Halifax.

There is, however, one payment that does not fall within the above description as it was for substantially more. This was a payment for £10,000 on 18 August 2022. I agree with the investigator and Mr D that it may well have been appropriate for Halifax to have intervened to understand more about the payment and why it was being made.

However, I don't think Halifax could have uncovered a scam if it had intervened in the £10,000 payment. While the company was advertised on social media, the remaining characteristics of the purchase didn't have the hallmarks of known scams. So, in addition to what I've already said about why I'm not persuaded this was a scam, I'm not aware of any information he could have given Halifax that would have given it cause for concern. Rather, Mr D would have been able to explain why he was making the payment and Halifax wouldn't have needed to do anything further, so the payment would still have been made.

#### Was there anything else Halifax should have done to recover Mr D's loss?

As the payments were made via a debit card, the only available method of recovery was a chargeback. Halifax has said it considered that the service had been available to Mr D and so it didn't think a chargeback would be successful in the circumstances.

The chargeback process is voluntary and based on the relevant scheme rules which are specific about the limited grounds in which a chargeback can be raised. It isn't intended to provide a refund in cases of buyer's remorse. Given Mr D hasn't been able to demonstrate the goods/services provided weren't as described in the contact, or that they weren't received, I don't think Halifax has acted unreasonably in not raising a chargeback in the circumstances.

So, for the reasons explained, I don't think Halifax needs to do anything more in the circumstances.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 23 May 2025.

Stephanie Mitchell  
**Ombudsman**