

The complaint

Ms B complains about Bank of Scotland plc trading as Halifax.

She says that Halifax won't refund her money she says she has lost to a scam.

What happened

The details of what happened are well known to both parties, so I won't repeat them in detail here.

In summary, Ms B was looking to convert her garage, and placed an advert for the job on a well-known trade website, which I will call 'C'.

A contractor responded and started work on 30 July 2023, with Ms B paying £32,500 in instalments. Unfortunately, Ms B began to have concerns about the pace and quality of the contractor's work and the relationship broke down. On 17 October 2023, Ms B returned home to discover that the contractor had taken their tools and left the job.

Ms B made a complaint to C, about the company she thought was completing the job, which I will call 'S'. But it told C that it wasn't involved in the job. S did visit Ms B's home, but said that while it could correct the work, it would need £20,000 to do so. C also paid Ms B £2,000 but said it couldn't do anymore.

Ms B then made a complaint to Halifax and said that she had been the victim of a scam.

Halifax looked into things but didn't think that Ms B had fallen victim to a scam, and that this was a civil dispute.

Ms B then brought her complaint to this Service. Our Investigator looked into things but agreed with Halifax that this was a civil dispute.

Ms B asked for an Ombudsman to make a final decision, 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.

In doing so I have taken into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

There's no dispute here that Ms B authorised the payments to the company. Under the relevant legislation, that means she's liable for those payments at first instance. However, Halifax was under a range of other duties and obligations at the time. Broadly summarised, it was expected to be on the lookout for payments that were unusual or out of character with

the aim of preventing customers from falling victim to fraud and scams. It's also a signatory to the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code. In certain circumstances, that code can entitle a customer to be reimbursed by the bank after they've fallen victim to a scam.

However, before I consider whether any of those obligations come into play, I must first consider whether Ms B is a victim of fraud. The CRM code is explicit that it doesn't apply to "private civil disputes, such as where a customer has paid a legitimate supplier for goods, services ... but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier."

And, having considered the evidence available, I'm afraid that I think Ms B's complaint is a civil dispute, and not a scam. I know that this news will be disappointing for Ms B, so I'll explain why.

I should start by saying that it isn't in dispute here that Ms B clearly has a legitimate grievance with the contractor that she employed for the work on her garage. The work completed was not up to the required standard, and Ms B has had significant trouble in rectifying the issues that have arisen.

But in this complaint, I cannot decide the case between her and her contractor – only if Ms B has fallen victim to a scam, or a civil dispute.

This isn't a straightforward question to address. To be satisfied that Ms B fell victim to a scam, I'd need to be persuaded that the contractor she hired had a settled intention to scam her from the outset. Obviously, I cannot know what was in the minds of the contractor at the time they agreed to carry out the job. As a result, I must infer what their intentions were based on what the available evidence tells me.

While I can understand that Ms B feels that she has been scammed due to the multiple issues with the project including work not completed to the required standard and not completed at all, I am not persuaded that the evidence shows that the contractor never had any intention of completing the work they had been asked to do.

I say this because Ms B has confirmed that about 60% of the work had been completed (although she had paid for about 95%) – and the contractor attended the job over a period of almost four months. This does not fit the usual pattern of a scam where money is taken for work and supplies which do not materialise, with the intention being from the outset never to complete the work, and often any work completed is small and designed to entice a complainant to pay more.

I know that there has been some confusion about who it was that attended the property. Ms B was under the impression that the work was being completed by S – but when she complained to C about this, S responded and explained that the contractor didn't work for them, and someone else was using its name. I do acknowledge that it appears the individual mis-represented who they were, and while this is concerning, I still don't think that it alone indicates they intended to defraud Ms N from the outset.

I am also aware that Ms B contacted a previous customer who confirmed that the contractor attended their property, and the work was completed to an acceptable standard – which does suggest that the contractor was involved in the building trade, and had been for some time, regardless of if they were working for S.

I am very sorry for the situation Ms B finds herself in – I know the whole saga has caused her a lot of stress and money, and she legitimately feels like she has been scammed. But as

I have said above, my role here is not to assess the quality of the work or if the contractor didn't have the required skills to do the work he had agreed to do – this would be better suited to Trading Standards, or other similar body. My role here is to decide if Ms B has fallen victim to a scam, and as such should receive payment from Halifax under the provisions set out in the CRM code, and for the reasons set out above, I believe this to be a civil dispute between Ms B and the contractor.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 2 January 2025.

Claire Pugh
Ombudsman