

## **The complaint**

Mrs B complains that Bank of Scotland plc trading as Halifax won't reimburse her after she sent funds to an online auction firm that she now considers to have been a scam.

Mrs B is professionally represented in bringing her complaint to our service. But for ease of reading I'll refer to all submissions as being made by Mrs B directly.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But briefly, both parties accept that in December 2023, Mrs B made a payment transfer of £9,400 to an online auction firm I'll refer to as P – this payment being for a deposit and an administration fee for a property she'd won at auction for £76,500.

However, after paying this deposit, Mrs B's solicitor advised her that there were also extra fees she was required to pay to cover things such as rent arrears on the property that Mrs B hadn't been aware of and that she states she's seen no evidence of. Mrs B has also stated she was given no access to the property. Mrs B refused to pay the additional charges and as a result the property sale didn't complete and Mrs B lost her deposit.

Mrs B has since heard of other individuals who have had similar experiences with P, and believes the firm was set up as a scam. She therefore contacted her bank, Halifax, to raise a claim.

Halifax considered Mrs B's claim but didn't uphold it. It said that Mrs B made the payment to a genuine firm, registered on Companies House. Halifax said Mrs B's solicitor had confirmed the company to be genuine, as well as a consumer 'Watchdog' style television broadcast. As a result it considered this to be a civil dispute between Mrs B and P.

Mrs B remained unhappy and referred her complaint to our service. An investigator considered the complaint but didn't uphold it. She noted that Mrs B hadn't provided evidence of correspondence between her and P regarding the payment dispute in question. She also noted that P was (at the time) a member of the Property Ombudsman alternative dispute resolution scheme, as well as PropertyMark, who provide training and qualifications for the property sector. She also thought that reviews regarding P showed that, while experiences were mixed, there was evidence that houses were sold via P.

Mrs B disagreed with the investigator's view. She also highlighted another case previously investigated by our service that appeared to agree that P was a scam.

As Mrs B disagreed with the investigator's view, the complaint has been referred to me for a final decision.

## **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.

I'm very sorry to hear of the position Mrs B has been left in. She's paid out a considerable amount of money, without obtaining the expected property as a result. However, in considering Mrs B's complaint, I'm not deciding a dispute between Mrs B and P – I don't have the power to look into a complaint about P. My role is limited to deciding the dispute between Mrs B and Halifax.

As a starting point in law, Mrs B is responsible for payments she's instructed Halifax to make. Unfortunately, there's little protection available to her for bank transfer payments, like this was.

The Lending Standards Board Contingent Reimbursement Model Code (the CRM Code) does provide some protection to victims of APP scams. But it specifically excludes private civil disputes.

For a payment to be covered by the CRM Code, it must meet the definition of an APP Scam under the CRM Code. In this context, that would require that the very purpose for which P procured the payment was different to what Mrs B believed due to dishonest deception. I've therefore thought about whether the available evidence here supports that this was the case.

Mrs B has explained that, after paying her deposit, she was made aware of additional fees required before the exchange could take place, which weren't stipulated in her original agreement. She's also said the legal pack wasn't received by her solicitor until hours before the completion deadline, despite having sent chasers (although evidence of this hasn't been provided). However, from reviewing P online, its website suggests that contracts are available on its sales portal for download. I'm also aware these legal packs and sales memorandum were prepared by a SRA regulated firm. Within this contract, it is stipulated that buyers are responsible for paying the seller any service fees, rent arrears or estate charges due for the period before the completion date. I therefore can't conclude from the evidence available that P requested these fees with the intent to scam Mrs B, rather than as part of the contract in place.

Mrs B has referred to a view reached previously by our service, that appeared to determine that P was a scam, which Mrs B believes is fundamentally unfair. Our service can only rely on the evidence and facts available to us at the time an opinion is issued - and based on the points raised by Mrs B, as well as further research into P I simply don't agree that the available evidence meets the high bar in determining that P was running a scam. Mrs B has referenced other properties sold by P, where she states P was not the owner of the property and had no legal right to sell it. While Mrs B believes there is no link between P and the owner of these properties, it appears both companies were registered, for a period of time, at the same address and had a shared director. I therefore don't think the available evidence supports the assertion that P was unable to sell the properties in question it had listed.

In reaching this opinion, I've also taken into account that P was previously a member of other ombudsman schemes, which would be unusual for a scam firm to do. I appreciate that Mrs B believes this to be a guise for appearing legitimate, and I also accept that P has since been excluded from the scheme, but the information available doesn't show that this was due to fraudulent actions.

I've also taken into account reviews from other customers available online. These are certainly mixed, but it does evidence that individuals have successfully used P for both selling and buying properties and P is therefore providing the service it sets out to be.

All things considered, I simply can't safely conclude that P took Mrs B's money without ever having any intention of selling her the property in question. The evidence available to me simply isn't enough to support such a finding. That means that I can't fairly hold Halifax

responsible for the loss suffered here. It also means I find the bank had no ability or obligation to try and recover Mrs B's money.

### **My final decision**

My final decision is that I don't uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 28 October 2025.

Kirsty Upton  
**Ombudsman**