

## **The complaint and background**

Miss W complains that Bank of Scotland plc trading as Halifax didn't do enough to protect her when she fell victim to a scam, and that it won't refund the money she lost.

Between October 2018 and January 2019, Miss W transferred a total of £50,000 from her Halifax account to a company I'll call "H". Miss W, via her representative, has said that she'd been looking for an investment. She'd invested with H in 2017 so opted to do so again. She'd expected returns of 5% per month, as well as full repayment of her capital within 12 months.

Miss W received returns until April 2019 but these then stopped, resulting in a loss which she said was in excess of £27,000. She believes that H was operating a scam.

Miss W complained to Halifax. She believes it was negligent in releasing the funds and said she received no warnings prior to the payments being processed. Halifax didn't uphold the complaint as it believed this was a civil dispute, as opposed to a scam.

Unhappy with this, Miss W referred her complaint to us. Our investigator didn't uphold the complaint. While he felt that Halifax should have intervened with the payments, particularly given that large payments were made to a new payee, he didn't think this would have prevented Miss W's losses. This was because there wasn't information in the public domain at the time to suggest that H wasn't a legitimate investment opportunity. And Miss W had also been receiving returns on the investment she'd made via another bank in 2017. These returns were paid into her Halifax account. So he didn't think Halifax needed to take any action.

As Miss W disagreed, the complaint has been passed to me to decide.

## **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 broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair or reasonable for the bank to reimburse the customer even though they authorised the payment.

Halifax is a signatory of the Contingent Reimbursement Model (CRM) Code which requires firms to reimburse customers who have been the victim of a certain types of scams, in all but a limited number of circumstances. However these payments were made before the CRM Code took effect, so it doesn't apply here.

I agree that Halifax should have intervened with the payments. However, I've thought carefully about what would have happened if it had. Miss W had an established relationship

with H, given that she'd invested almost a year prior via another bank. And she was receiving returns as expected on that investment, with those returns being paid into her Halifax account. Based on what she's said, it was those returns that she saved up to reinvest with H through Halifax. And these returns led her to believe it was a good investment.

So I don't think Halifax could have uncovered information, especially through proportionate enquiry in relation to the payments, that would have led to significant doubts about the legitimacy of H at that time. And, with that in mind, I don't think Miss W could have uncovered such information at that time either. So, I don't see how any reasonable intervention from Halifax would have made a difference to Miss W's decision to invest.

I'm sorry to disappoint Miss W, as I know she's lost a significant amount of money. But I don't think she lost the funds as a result of Halifax's failing, so I don't think it would be fair or reasonable to ask it to reimburse her losses.

### **My final decision**

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 12 September 2025.

Melanie van der Waals  
**Ombudsman**