DRN-5170019

The complaint

Mr K complains that Bank of Scotland plc trading as Halifax (Halifax) won't refund money he says he lost to a scam.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr K has explained that he received an unsolicited call from a company claiming to be able to recover funds he'd previously lost after his ex-partner made unauthorised transactions from his account.

Mr K says he was asked to pay money to the company to enable him to recover the funds previously lost. He says the payments were sent to the company by following a payment link provided to him. The first payment was to pay for the recovery of the lost funds, the second and third were for legal fees and administrative costs.

Mr K says he realised he'd been scammed when, despite paying money to allow the company to recover his funds previously lost, he still didn't receive anything back.

Mr K made the following payments to the company:

Date	Transaction type	Amount
17 October 2023	Debit card payment	£412.54
31 October 2023	Debit card payment	£412.15
16 November 2023	Debit card payment	£412.15
	Total	**£1,236.84**

Mr K complained to Halifax on 19 July 2024. Mr K said Halifax didn't do enough to protect him – as he felt it ought to have carried out further checks before processing the payments. To settle the complaint Mr K said that Halifax should refund the payments in full as they were made to a scam.

Halifax didn't agree to refund the disputed payments, and Mr K referred his complaint to the Financial Ombudsman Service.

Our Investigator said he didn't think Mr K's complaint should be upheld, because the payments weren't suspicious enough that he would have expected Halifax to have intervened.

Mr K didn't agree, so his complaint has been passed to me for review and a decision.

Prior to the payments in the table above, Mr K has explained that there were other payments made from his account, which he said were carried out by his ex-partner without his knowledge and to a separate scam. It looks like Halifax has refunded these payments and therefore I will not be considering them again here.

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.

Initially, I should explain that from the information I have it's not immediately clear to me that the payments Mr K is disputing were made because of a scam. We've not been provided with much evidence (such as copies of the correspondence between Mr K and the company he made the payments to) to demonstrate that a scam has taken place. However, I don't need to ask Mr K for more evidence of what happened here because ultimately whether a scam has taken place doesn't make a difference to the outcome of his complaint. So, I'm proceeding on the assumption that Mr K did make the disputed payments as part of a scam.

I'm really sorry to disappoint Mr K, but I'm not upholding this complaint, because I've not found that Halifax ought to have done anything to prevent the payments Mr K made. I'll explain why.

Before I do, I want to reassure Mr K that I've considered this case on its own merits and taken account of everything he has submitted to us. And so, while I've summarised this complaint in less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed, it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Halifax is responsible for the claimed loss.

It doesn't appear to be in dispute that Mr K authorised the payments, albeit following the instructions he was given. Halifax has a duty to act on Mr K's instructions. But in some cases, it should take a closer look at the circumstances of a payment – for example, if it ought to be alert to a fraud risk, because the transaction is unusual for the customer, or otherwise looks characteristic of fraud. And if so, it should intervene, for example, by contacting the customer directly before releasing the payment. But I'd expect any intervention to be proportionate to the circumstances of the payment.

Ultimately, I need to decide if the payments Mr K made were unusual enough to have expected additional checks to be carried out before they were processed. When considering this, I've kept in mind that Halifax processes high volumes of transactions each day, and that there is a balance to be found between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

I have reviewed Mr K's account activity alongside the disputed payments. And like the Investigator, I'm not persuaded Halifax ought to have found them suspicious or should have made further enquiries before processing them.

The payments didn't appear to be out of line with Mr K's usual account activity; he regularly made payments from this account to third parties using his card. These payments were also not particularly out of line with the value of other payments made from his account. The three payments were made over a thirty-day period, with each payment being made at least two weeks apart, so there was no pattern of payment activity which could have caused Halifax to be concerned that a scam was taking place. And the disputed payments weren't of a value where I'd expect Halifax to be concerned about a significant risk of financial harm due to a scam, such that it ought to have intervened. So, taking all this into account, I don't think Halifax should have done more to prevent Mr K from making the payments.

I’ve thought about whether Halifax could reasonably have done anything else to recover Mr K’s payments after he reported what had happened. It’s possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme’s rules. I can’t see that Halifax attempted a chargeback here, but I agree with the Investigator that by the time Mr K reported what had happened, it was likely too late for it to have done so under the rules, and I’ve not seen anything to make me think a chargeback was likely to be successful in these circumstances. Therefore, I don’t think Halifax could reasonably have done anything more to recover the payments.

I know this outcome will be disappointing for Mr K and I’m sorry for that. But for the reasons I’ve explained, I don’t think Halifax should have done more to prevent his loss. So, it wouldn’t be reasonable for me to ask it to refund the money he’s lost.

My final decision

My final decision is that I’m not upholding Mr K’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr K to accept or reject my decision before 24 September 2025.

Helen Sutcliffe
Ombudsman