

The complaint

Mr V complains that Bank of Scotland plc trading as Halifax failed to sufficiently intervene causing him to fall victim to an authorised push payment (APP) romance scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mr V fell victim to a romance scam after joining a dating website. After seeking to meet with the scammer he believed he had a romantic interest with, he was contacted by email from a company linked with the scam requesting a variety of refundable and non-refundable fees which had to be paid first. Following paying these fees he continued making payments in order to receive a refund. He subsequently ascertained it was a scam when the scammers continued to ask him for more money. By this point he had sent over £8,000.00 between June 2023 and February 2024.

Our Investigator didn't uphold the complaint as she did not consider an intervention by Halifax would have been able to prevent Mr V's losses. As our Investigator couldn't resolve the matter informally the case has been passed 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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mr V has been the victim of a scam here – he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean he is automatically entitled to recompense by Halifax. It would only be fair for me to tell Halifax to reimburse Mr V for his loss (or a proportion of it) if: I thought Halifax reasonably ought to have prevented all (or some of) the payments Mr V made, or Halifax hindered the recovery of the payments Mr V made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I have kept in mind that Mr V made the payments himself and the starting position is that Halifax should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr V did not intend for his money to ultimately go to a scammer – but he did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Halifax should fairly and reasonably:

- Have been monitoring accounts to counter various risks, including preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, take additional steps, or make additional checks, before processing a payment, or in some cases decline it altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

So, I've thought about whether the transactions should have highlighted to Halifax that Mr V might be at a heightened risk of financial harm due to fraud or a scam.

The type of payments remittance services are generally used for are sending funds in a different currency to another country. So, the fact Mr V was choosing to make such transfers would not have appeared inherently unusual. Keeping this in mind, alongside the value of the payments, and over the period of circa nine months in which they were made, I don't think there was anything particularly unusual about the majority of the transactions Mr V completed that I think ought to have flagged as suspicious to Halifax.

However, the final payments Mr V made towards the scam was starting to show a pattern of potential financial harm. I say this because on 6 February 2024 he made a card payment of £2,340.00 followed by another two on 7 February 2024 for £2,339.00 and £2,340.00 respectively. I accept funds being sent via money remittance providers would no longer have appeared as suspicious, nor the value of them in isolation, when considering the history Mr V had now built up over the many months of the scam. But, when considering the value of these payments, alongside the wider pattern that was now forming, they were made in quicker succession than previous ones – with two on the same day. Multiple transactions occurring this way can be an indication that someone is being scammed. Therefore, I do think Halifax should have intervened on the final payment he made. A proportionate and appropriate intervention would have been asking Mr V to answer a series of questions and then giving a tailored warning narrowed down to the most likely scam he was potentially falling victim to.

However, I am not persuaded such an intervention would have prevented Mr V's losses from occurring. This scam was clearly a sophisticated one – with Mr V believing that having submitted his passport as part of the sign-up process ensured that everyone else too must be genuine. His previous experiences with dating sites and this 'dating company' contacting him directly no doubt added to this belief - as it suggested the workings of a legitimate company. Ultimately the romantic opportunity / refund of monies he'd paid was becoming more dubious as time went on. I think it's clear Mr V realised this too based upon his questioning of the scammer – which occurred prior to him continuing to make payments – as our Investigator also highlighted. Consequently, I'm persuaded that Mr V was heavily under influence of the scammer whom he held the romantic interest with. I say this because even as he questioned the level of fees and payments required, suggesting he was in contact with the police and embassy (which I've seen no evidence to confirm this was so), he proceeded to keep making the payments. Mr V no doubt, considering the feelings he seems to have developed,

was being manipulated in order to override his thoughts that payments he was making seemed dubious. It seems the scammers were suggesting that these payments were a standard procedure, with the scammer he met on the dating website no doubt endorsing this to be so. I do not think a better automated warning would have been successful at breaking the scammer's influence.

Additionally, whilst I've not seen everything that Mr V saw, such as all the messages with the scammer he believed he had a romantic interest with, the apparent explanation for how the refund scheme worked is implausible and I think Mr V ought reasonably to have questioned whether the payments he was tasked with making could really be capable of leading to the result he wanted. The requirement to send funds to acquire funds should have been a red flag – especially based on his prior knowledge of using dating websites. I also think Mr V ought reasonably to have recognised sooner the scammers could essentially have continued saying more deposits would be required to get his refund – whilst continuing to leave the hope of him meeting the person he met on the dating website a possibility. This too highlights the level of influence the scammer clearly held over him. I do not say this to be critical of Mr V, I am simply highlighting that due to this I am not persuaded Halifax could have broken such a level of influence with such an intervention.

Therefore, I do not think Halifax could have prevented his losses.

Recovery

Having considered how these payments were made and the options open to Halifax (such as a chargeback), I do not consider they could have successfully recovered Mr V's funds. Ultimately, the service of currency conversion / sending the funds to the account Mr V chose was provided by the money remittance providers. His funds were ultimately sent to the scammers and not retained by the money remittance providers for Halifax to attempt to recover.

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Bank of Scotland plc trading as Halifax to reimburse Mr V's loss.

My final decision

For the reasons given, 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 V to accept or reject my decision before 11 July 2025.

Lawrence Keath
Ombudsman