

## The complaint

Mr S complains that Bank of Scotland plc (trading as Halifax) has failed to refund money he lost as part of a property investment scam.

## What happened

Mr S has explained that he wanted to buy a property overseas. He found an online listing and he was satisfied that it appeared to be legitimate. He contacted the 'property agent' about the property he was interested in. Mr S says the 'agent' was courteous and professional and provided him with documentation Mr S felt was legitimate including a purchase agreement, and legal certificates.

The 'agent' instructed Mr S to make a number of payments towards the purchase costs through an online money remittance service. Mr S says he was told this was a standard method for transferring funds for international property purchases.

Mr S made six payments to the scammer via the online money remittance service:

Date	Type of transaction	Amount
20 November 2023	Card payment	£3,704.99
18 December 2023	Card payment	£698.99
30 December 2023 (at 10:55)	Card payment	£1,455.99
30 December 2023 (at 12:23)	Card payment	£1,453.46
27 January 2024	Card payment	£49.99
30 January 2024	Payment received from money remittance service	-£49.99
10 June 2024	Card payment	£239.99
<b>Total loss</b>		<b>£7,553.42</b>

Mr S says he changed his mind about the investment and tried to get a refund but he was unable to do so. It was at this point that he realised he had been scammed.

Mr S raised a complaint with Halifax, as he believed that it should have stopped him from making the payments in question. Halifax did not uphold Mr S's complaint. It said he had authorised the payments and they were not out-of-line with the way he had previously used his account, so it did not think it had acted incorrectly when it didn't query the payments.

One of our investigators looked into this matter and they did not uphold this complaint. They said they didn't think the payments looked out-of-line with the way Mr S had previously operated his account so they didn't think Halifax should have flagged the payments.

Mr S did not accept the investigator's view so his complaint has been passed to me to issue a final decision.

In summary, Mr S said he felt Halifax should have recognised he was at risk of being a victim of fraud and queried the payments he made to the money transfer service. Mr S said he had been struggling with his mental health at the time of the scam and he felt Halifax should have recognised his vulnerability. He also said he felt the scam was sophisticated and the scammer had been professional in their communication with him which meant he had not realised he was being scammed until he was unable to get a refund.

### **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.

Having done so, I have reached the same view as our investigator, and for much the same reasons. I'll explain why.

In broad terms, the starting position is that Halifax is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Halifax should:

- have been monitoring accounts and any payments made or received 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 firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Halifax sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

I don't think that the payments in this case were sufficiently unusual to have prompted an intervention from Halifax. They did not form a pattern that was indicative of someone being scammed; they were spread out over eight months and did not increase in value or frequency. In reaching this view, I have also taken into account that the records show Mr S had a history of transferring larger sums to trading platforms and other accounts held in his name. He had also previously made larger payments than those complained about, for example on 14 September 2023, he transferred £12,000 to another account held in his name

and he then made a further payment of over £4,000 on 29 September 2023.

So, I'm not persuaded there was anything that ought reasonably to have triggered Halifax's fraud monitoring systems, or that would have indicated Mr S was in the process of being scammed. I therefore do not consider there to have been any obligation on Halifax to have intervened.

In addition, Mr S has provided this service with the messages he had with the scammer. It appears from these messages that Mr S had misgivings about the investment he was making. It is very unfortunate that Mr S chose to go ahead with the payments despite having concerns that the investment was not genuine, but I cannot reasonably hold Halifax responsible for this.

I am mindful that Mr S says he was struggling with his mental health at the time he made these payments. I am sorry to hear of Mr S's difficulties, but there is nothing in the evidence I have seen to show that Mr S had made Halifax aware that he was vulnerable. As this is the case, I can't reasonably say that it should have taken additional steps to protect Mr S from the risk of fraud.

I am sorry Mr S has lost this money but, based on the information available, I cannot reasonably find that Halifax has acted incorrectly. I therefore cannot require it to reimburse Mr S for the money he lost to this cruel scam.

### Recovery

I've also thought about whether Halifax did enough to attempt to recover the money Mr S lost. I note Mr S has referred to the CRM code in his response to this service. Unfortunately the transfers are not covered by the Contingent Reimbursement Model ("CRM") as the payments were made by card. Mr S paid a legitimate money transfer service and he received a service from it. Mr S's disagreement is with the scammer, not the money transfer service.

It would not be possible for Halifax to process a chargeback claim against the scammer as Mr S did not pay them directly. Halifax could only have processed chargeback claims against the recipient of the payment, the money transfer service. In view of this I don't think Mr S had any reasonable prospect of success if Halifax had processed chargeback claims against the merchant.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 December 2025.

Suzannah Stuart  
**Ombudsman**