

## The complaint

Miss G complains that Bank of Scotland Plc (trading as Halifax) did not reimburse the funds she lost to a scam.

## What happened

Miss G met an individual I will refer to as 'X' on an online dating website. They began talking outside of the dating app, both on messages and over the telephone. X told Miss G that he was a doctor, and he needed to pay for some medical items that were stuck in customs which he asked her to pay for. She agreed, however after a while X said his bank account had been blocked, so she needed to pay his friend's account instead. She made the following payments from her Halifax account:

Date	Amount
31/03/2020	£500
24/04/2020	£750
28/04/2020	£700
28/04/2020	£25
22/05/2020	£720
28/05/2020	£750
01/06/2020	£270
01/06/2020	£80
26/06/2020	£750
30/06/2020	£500
17/07/2020	£500

She later realised X was not genuine and that she had been the victim of a scam. Miss G raised a scam complaint with Halifax via a representative in May 2024. Halifax issued a final response letter explaining they had assessed the payment under the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code. Having done so, they felt an exception to reimbursement applied, as they did not think Miss G had a reasonable basis to believe X was a genuine individual. And they felt they had met their obligations under the code, so they did not think they were liable to refund Miss G.

Miss G referred the complaint to our service and our Investigator looked into it. They felt Halifax's outcome was reasonable, and they noted they did not have any of the correspondence between Miss G and X to better understand their relationship. They therefore agreed that Halifax did not need to provide a refund.

Miss G disagreed with the outcome and said that she was led to believe X was a legitimate person. And while the transactions appeared consistent with other payments she made, they were different in that they were actually to assist a person she thought she knew, rather than for goods and services.

As an informal agreement could not be reached, the complaint 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.

The starting point under the relevant regulations and the terms of Miss G's account is that she is responsible for transactions she's carried out herself. However, Halifax are signatories to the CRM Code and, taking into account regulators' rules and guidance, codes of practice and what I consider to have been good industry practice at the time, should have been on the lookout for unusual and out of character transactions to protect its customers from (among other things) financial harm from fraud.

I've first considered whether Halifax should refund Miss G under the provisions of the CRM Code. Halifax seek to rely on one of the exceptions to reimbursement, which is that Miss G made the payments without a reasonable basis for believing that X was legitimate.

I therefore need to determine whether Halifax acted reasonably when it applied this exception to full reimbursement. Due to the passage of time, there is no longer any indication of what warnings, if any, Miss G may have been provided about the payments. And Miss G has said she was not aware of the seriousness of the situation, so did not retain the conversations between herself and X. I also do not have any other evidence showing what Miss G was told by X, how their relationship developed or how X explained the reasons he needed funds from her. All I do have is a brief explanation that Miss G was told X was a doctor, and he needed medical items, but these were stuck in customs, and that she needed to pay for these.

On balance, and with nothing to indicate otherwise, I don't think Miss G had a reasonable basis to believe X was genuine when he asked her for money. She had met him online and not in person, and his reasons for needing funds were unusual and on the face of it, unreasonable. It is not my intention to diminish the experience of Miss G, and I want to acknowledge that she has been the victim of a cruel and manipulative scam. But based on the limited information available to me, I think it was reasonable for Halifax to apply the exception to reimbursement under the CRM Code.

Halifax has argued that it did not have to provide an effective warning under the Code in this case, as the transactions in question were not particularly unusual or suspicious in nature. I have reviewed the payments in question, and while I do appreciate that the purpose of the payments was unusual for Miss G in the sense that she was not just purchasing goods as she normally would, I don't think this would have been immediately apparent to Halifax. And in any event, the values of the individual payments were not particularly high. With this in mind, I do not think Halifax was required to provide an effective warning in the circumstances. So, I think it has met its obligations under the CRM Code.

I've finally considered if there is any other reason, outside of the CRM Code, why Halifax ought to have realised Miss G may have been at risk of financial harm and intervened in these payments. However, I do not think the overall pattern or value of the transactions were unusual enough to have warranted an intervention from Halifax. So, I do not think they have made an error in the circumstances.

I understand that this will be very disappointing for Miss G, and I recognise that she has been the victim of a particularly manipulative scam. But I do not consider that it would be fair to hold Halifax responsible for her loss, so I won't be asking it to refund any of that loss to her.

**My final decision**

I do not uphold Miss G's complaint against Bank of Scotland Plc.

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

Rebecca Norris

**Ombudsman**