

The complaint

Ms S complains that Royal Bank of Scotland plc trading as Halifax ('Halifax') won't reimburse the funds she lost when she fell victim to a scam.

What happened

The facts of this case have been set out in detail by the investigator, so I'll only cover them briefly here.

Ms S says that she was contacted by an individual about a job offer with a company I'll call G. She didn't know at the time, but the job offer wasn't genuine, and Ms S was dealing with scammers. The job involved providing ratings for hotels to increase their popularity. To unlock the tasks Ms S was required to make payments which she understood would be refunded when she received commission on completion of a set of tasks. The system could also randomly generate 'commercial ads' which cost more but led to higher levels of commission.

Ms S made the faster payments in the table below to accounts in her own name before moving funds on to the scammer. All but one payment was to an electronic money institution (EMI) account in Ms S's name.

Transaction	Date	Amount	Payee
1	18/09/23	£200	EMI account
2	18/09/23	£200	EMI account
3	18/09/23	£600	EMI account
4	18/09/23	£600	EMI account
5	22/09/23	£390	EMI account
6	22/09/23	£500	EMI account
7	15/01/24	£260	EMI account
8	15/01/24	£2,000	EMI account
9	15/01/24	£420	EMI account
10	05/02/24	£100	Other bank account
11	16/02/24	£1,100	EMI account
12	19/02/24	£1,820	EMI account
13	19/02/24	£50	EMI account
14	19/02/24	£1,000	EMI account
15	19/02/24	£2,950	EMI account
16	20/02/24	£1,000	EMI account

17	23/02/24	£2,000	EMI account
18	23/02/24	£2,000	EMI account
19	23/02/24	£2,000	EMI account
20	23/02/24	£2,000	EMI account
21	23/02/24	£500	EMI account
22	15/03/24	£350	EMI account
23	20/03/24	£203	EMI account
24	25/03/24	£30	
Total		£22,273	

Ms S realised that she was the victim of a scam when she was repeatedly assigned commercial ad tasks and had no more funds. She instructed a professional representative to send a letter of complaint to Halifax in May 2024. Ms S's representative said Halifax should have recognised that payment four in the table above was unusual and contacted Ms S. Had it done so, Ms S's further loss could have been prevented.

Halifax said it couldn't reimburse Ms S as it hadn't made any errors. It noted that as Ms S transferred funds from her Halifax account to accounts in her own name, it couldn't apply the provisions of the Contingent Reimbursement Model Code ('CRM Code').

Ms S was unhappy with Halifax's response and brought a complaint to this service.

Our investigation so far

The investigator who considered this complaint didn't recommend that it be upheld. He said that as Ms S made payments to accounts in her own name they aren't covered by the CRM Code. He went on to consider Halifax's wider obligations and said that the transactions from Ms S's account weren't so out of character that Halifax ought to have taken additional steps before processing them.

Ms S was unhappy with the investigator's findings and asked for a final decision. In summary, she said:

- She was vulnerable at the time of the scam. Ms S's representative referred to the part of the CRM Code that covers vulnerability and to FCA guidance on vulnerable customers.
- There was a significant change in account activity that Halifax should have picked up on and provided effective warnings. There was an increase in the value and frequency of payments.

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 deciding what's fair and reasonable, I am required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice and, where appropriate, what I consider to have been good industry practice at the time.

It's not in dispute that Ms S lost her money in a scam, and that she authorised the payments to her other accounts. The Lending Standards Board's Contingent Reimbursement Code, which offers scam protection and potential reimbursement to customers, was in place at the time. But, this only covers payments to another person so isn't relevant to Ms S's case.

In broad terms, the starting position at law is that a bank such as Halifax, is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. However, this doesn't automatically mean that Halifax can't bear any responsibility for what happened to Ms S.

Taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Halifax should fairly and reasonably have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.

Also, I'd expect Halifax to have 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). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

In this case, I need to decide whether Halifax acted fairly and reasonably in its dealing with Ms S when she authorised payments from her account or whether it could and should have done more before processing them.

All the transactions Ms S made were to accounts in her own name, which would likely have provided some reassurance to Halifax. Ms S had also made a payment to the same EMI account in June 2023. The transactions started off very low in value and, while there were multiple transactions on 18 September 2023, the total value of them was only £1,990. And making multiple payments in a day wasn't unusual given Ms S's usual account activity. For example, on 27 February 2023 Ms S made five payments of £118 to one payee.

Ms S transferred a larger amount to her EMI account (£2,000) on 15 January 2024, but I'm still not persuaded Halifax ought reasonably to have recognised something was amiss. The amount was still relatively low and there had been a gap in payments of a few months. This doesn't fit with usual patterns of scam payments and Ms S had previously transferred over £1,000 to an account in her name. On 19 February 2024 Ms S made four payments totalling £5,820 to her EMI account. But it was well-established account that Ms S had been paying since June 2023.

I think it's arguable that Halifax should have considered the very last payment on 23 February 2024 to be unusual given that over five transactions Ms S transferred £8,500 to her EMI account in a short timeframe. But multiple payments in a day had become usual activity on the account by this stage. In any event, I'm mindful that in January 2024 Ms S's EMI intervened on a transaction and Ms S didn't provide accurate responses. Ms S was coached through the questions her EMI asked and gave an incorrect payment reason and said that she wasn't being guided. Overall, I'm satisfied that if Halifax had intervened Ms S would not have been open about the reason for the transfer and her further loss wouldn't have been prevented.

Ms S's representative has said that she was vulnerable at the time of the scam. I am sorry to hear about her circumstances at the time and recognise that they would have had an impact on her. But, as I have said above, the CRM Code (which, in broad terms, says that victims who are unable to protect themselves from the scam they fell victim to should be reimbursed in full) doesn't apply here. This means that I can't consider whether Halifax should reimburse her on this basis. I also haven't seen any evidence to persuade me that Ms S made Halifax aware she needed additional support before the payments were made.

Given that all transactions were to accounts Ms S controlled, there was no possibility of recovery here.

Overall, whilst I'm sorry to hear that Ms S has lost funds in a cruel scam, I can't fairly require Halifax to reimburse her.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 23 September 2025.

Jay Hadfield
Ombudsman