

The complaint

Mr O has complained that Bank of Scotland plc (trading as Halifax) won't refund the money he lost after falling victim to a scam.

What happened

In 2023, Mr O found an investment opportunity through social media, which unfortunately later turned out to be a scam. He was told to pay up-front fees and was unable to withdraw.

Between summer 2023 and summer 2024, Mr O sent around £70,000 in card payments from his Halifax account to his accounts at money transfer services. The money was then sent to the scammers from there.

In autumn 2024, Mr O reported the scam to Halifax and complained via representatives. Halifax didn't think they were liable for the loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr O's representatives asked for an ombudsman's final decision, so the complaint's been passed to me to decide.

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.

First of all, I understand that Mr O fell victim to a cruel scam, and that he was going through a truly tough time more generally, for which he has my sympathy. I appreciate this cannot have been an easy matter for him to face, and I appreciate why he would want the money back. It's worth keeping in mind that it's the scammers who are primarily responsible for their own scam and the resulting distress, and it's the scammers who really owe Mr O the money back. But I can only look at what Halifax are responsible for. Having carefully considered everything that both sides have said and provided, I'm afraid I can't fairly hold Halifax liable for Mr O's loss. I'll explain why.

It's not in dispute that Mr O authorised the payments involved. So although he didn't intend for the money to end up with scammers, under the Payment Services Regulations he is liable for the loss in the first instance. And broadly speaking, Halifax had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Halifax should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Halifax should have done more in Mr O's case.

However, while I acknowledge that Mr O was in a vulnerable position and that this was a large amount to lose in total, these payments were spread out over the course of more than a year. And the spending was never quite so large or rapid that I'd have expected it to have been of particular concern to Halifax, even in Mr O's difficult circumstances. Not least since Mr O's previous normal spending included a number of occasions where he'd transfer away significantly larger amounts, and he was also receiving credits back. The payments were authorised using strong authentication, and were going to Mr O's own accounts at legitimate firms. So while this spending could be seen as somewhat unusual, I don't think it was quite so remarkable for this account that I'd have required Halifax to intervene.

Further, I'm afraid I do need to note that even if Halifax had intervened, it doesn't seem likely that this would've stopped the loss. I say that because I can see from Mr O's contact with the scammers that the money transfer services did question what was going on, and Mr O gave them false cover stories on the scammers' instructions. Mr O asked the scammers to tell him what to do, and agreed not to do anything until the scammers instructed him. The scammers were clear that he shouldn't tell anyone what was really happening, they'd get the necessary information to deal with the fraud team, and he shouldn't answer questions without them being present. Mr O was highly co-operative with the scammers and it's clear that he was under their spell. It looks like Mr O funded the scam payments by misleading firms into giving loans. And he agreed to keep his activity low and to use multiple accounts to avoid detection and get around blocks. Indeed, it seems that once a firm stopped his payments he'd just use another instead. So it seems Mr O was determined to get these payments through, and it seems more likely than not that proportionate intervention would not have stopped the loss.

I've then considered what Halifax did to try to recover the money after Mr O told them about the scam. As these were card payments to Mr O's money transfer accounts, they were not covered by the CRM Code for scams. It wasn't possible for Halifax to recall the money Mr O had sent on from the money transfer services. And there was no chargeback reason which would've been appropriate here. A chargeback would've been a claim against Mr O's own genuine money transfer services rather than the scammers. And the transfer services provided the services they were supposed to. There was no realistic prospect of success for a chargeback, and chargebacks are voluntary, so Halifax didn't need to try one in this case. And I'm afraid there was nothing more that Halifax could've reasonably done to get the money back here.

So while I'm very sorry to hear about what the scammers did to Mr O, I don't think Halifax can fairly be held responsible for his loss. And so I can't fairly tell Halifax to reimburse Mr O in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 25 September 2025.

Adam Charles
Ombudsman