DRN-5375531

Financial Ombudsman Service

The complaint

Mrs A complains Bank of Scotland plc, trading as Halifax, won't refund money she lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Between July and September 2024, Mrs A lost over £15,000 over five payments to an investment scam and was only able to withdraw £149.27. She complained to Halifax, who reviewed her complaint and decided to reimburse her £6,999.50 to cover 50% of her losses, from the fourth payment onwards, as they feel they could have done more to highlight the scam. They also credited Mrs A with £50 for inconvenience this may have caused.

Mrs A referred her complaint to our service as she was unhappy and wanted a full reimbursement of the money she had lost. Our Investigator looked into everything and, while she agreed Halifax could have done more, she didn't think they should refund the full amount Mrs A lost given the intervention that occurred and Mrs A's responses.

She did however recommend that Halifax add 8% simple interest to the refund of £6,999.50 from the date the payments were made to the date of the refund.

While Halifax agreed with our Investigator's view, Mrs A didn't and so the complaint has been passed to me for review.

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, it's because 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 as it simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mrs A has been the victim of a scam here – she has lost a large sum of money and has my utmost sympathy for this given the circumstances. However, just because a scam has occurred, it does not mean that she is automatically entitled to a full refund from Halifax. It would only be fair for me to tell them to reimburse Mrs A in full if I thought that she shouldn't be held partly responsible for what happened. I know Mrs A will be disappointed but, for the reasons I'll explain, I think Halifax's offer to refund 50% from payment four, along with the 8% recommended by our Investigator, is fair.

Halifax have accepted they could have done more to protect Mrs A from the scam at the time. And I agree. I therefore don't intend to focus too much on that here. But what I do need to decide is whether the offer is fair, and then whether it is also fair for Halifax to deduct 50% due to contributory negligence on Mrs A's part in what happened.

From the information provided, I agree that the first three payments were relatively low in value and therefore wouldn't have given Halifax enough reason to think Mrs A could be at risk of financial harm – thereby prompting them to intervene. I do agree that payment four was a lot higher though and therefore warranted some intervention by Halifax. I can see they spoke with Mrs A on the phone, however I do agree that they could have done more during the call to question Mrs A to try and identify the scam.

Because of this, I agree a refund from payment four onwards is fair. I've then considered whether it was fair for Halifax to deduct 50% for contributory negligence.

During the call with Halifax, Mrs A said she opened the account herself and that she hadn't been contacted via social media, thereby withholding the true circumstances of the payment. I can see that Mrs A also expressed concern while talking to the scammer but went ahead and made the £9,000 payment shortly after. Mrs A also didn't have access to the account she was making payments to, which I feel also should have raised a red flag.

I do empathise with Mrs A though, as scammers can be extremely convincing and they can apply pressure when encouraging someone to make payments. I don't believe Mrs A is at fault here, the scammer is. But I also have to decide whether given everything, it would be fair to say that Halifax has to refund the full amount.

Here, I think it would be fair to apply some responsibility to Mrs A. This is because if she'd answered Halifax's questions accurately and honestly, they would've likely been able to uncover the scam and prevent her loss at that point. To recognise this, I think a 50% reduction to the award based on contributory negligence, in the circumstances of this complaint, is fair.

I'd like to express that I appreciate Mrs A is the innocent victim of a scam here and so I'm not trying to place blame with her. To me, sadly, it seems she was under the scammer's spell and followed their instructions when sending the money. It's a cruel thing for her to have gone through and I would like to extend my deepest sympathy to her.

It follows that, while I agree Halifax could have done more here, I'm not able to ask them to refund all of the money lost and I believe the 50% refund is fair, along with the 8% interest from the date of each payment to the date of settlement (to recognise loss of use of money during this time). I hope my explanation and reasoning have been clear. And again, I'm really sorry Mrs A has been through such an ordeal.

Recovery

After the payments were made, I couldn't reasonably expect Halifax to have done anything further until Mrs A told them she had been scammed.

Halifax have confirmed that they didn't attempt to recover the funds in this instance. However, had they done so, I'm satisfied they wouldn't have been able to. This is because the payments were transferred into an account in Mrs A's own name before being forwarded on to the scam (and so none remained). If any funds remained in the account, Mrs A would have been able to access them herself.

Because of the above, I’m satisfied Halifax could not have successfully recovered any of Mrs A’s funds.

My final decision

My final decision is that I uphold this complaint in part.

Bank of Scotland plc, trading as Halifax should pay Mrs A 8% simple interest on £6,999.50 from the date of the payments to the date of settlement.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs A to accept or reject my decision before 6 October 2025.

Danielle Padden
Ombudsman