

Complaint

Miss F is unhappy that Bank of Scotland plc trading as Halifax didn't reimburse her after she reported falling victim to a scam.

Background

In May 2022, Miss F became aware of an investment opportunity. It was initially recommended by a friend, who provided evidence of her own apparent profits from the same scheme. Based on this recommendation, Miss F was introduced to a woman referred to here as Ms G, who appeared to be acting as an intermediary, collecting funds for an investment platform. Miss F attended online calls where the investment was discussed in more detail. She was told that her money could potentially double or even quadruple. She was also added to a group chat where other individuals appeared to be discussing their investments, which reinforced her belief in the legitimacy of the opportunity.

In May 2022, Miss F made two payments to Ms G's personal bank account: one for £134.81 and another for £8,500. She believed that Ms G would transfer these funds to the investment platform on her behalf. The bank initially paused the £8,500 transaction and contacted Ms G by phone. Ms G stated that the payment was intended for purchasing a house overseas and that she was transferring the money to a family member.

Miss F later became concerned when her friend, who had introduced her to the investment, said they were unable to withdraw funds. Ms G subsequently stopped responding to Miss F's messages. Miss F concluded that she had been scammed and notified her bank. The bank agreed to refund 50% of her losses.

Miss F wasn't happy with that and so she referred her complaint to this service. An Investigator reviewed the case but did not uphold the complaint. He said there was a lack of evidence to support the contention that Miss F was the victim of a scam. Miss F had deleted most of the communications related to the investment and retained only one example of a text message.

Miss F's representatives disagreed with the Investigator's findings. They argued that the size of the payments should have prompted stronger intervention by the bank. They also contended that the bank should have warned Miss F that the investment was unregulated. Since Miss F disagreed with the Investigator's view, the complaint has been passed to me to consider and come to a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. However, that isn't the end of the story. Good industry practice required that Halifax be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to protect their customer. That might be as simple as providing a written warning as part of the payment process or it might extend to making contact with the customer to establish the circumstances surrounding the payment.

None of those expectations come into play if I'm not persuaded that Miss F is the victim of a scam. Our Investigator was concerned that there was insufficient evidence to show that she was, and I share those concerns. She's submitted some screenshots that purport to show transactions being carried out on the investment platform. However, I have no way of knowing if those transactions relate to Miss F or even took place at the relevant time.

However, even if I was satisfied that it was more likely than not that Miss F was the victim of a scam, I don't think it would lead to me recommending the bank pay her any more in compensation. I say that for two reasons. First, Miss F's representatives argued that the £8,500 payment was large enough that it justified an intervention by the bank. I agree with that, but the bank did in fact call her regarding that payment. It asked her what it was for, and Miss F didn't answer the bank's questions honestly. The call was quite brief and the conversation didn't go into much detail, but I've no good reason to think that Miss F wouldn't have simply repeated the inaccurate information she gave to make sure that the bank processed the payment.

Second, even if I was persuaded that the bank could've prevented the scam from taking place, I must consider that Miss F made this investment in the belief that she might be able to double or even quadruple her investment within a very short period. Such a return was simply not realistic, and it ought to have occurred to her that it might be too good to be true. For that reason, even if I thought Halifax could've prevented the scam, I'd be inclined to say it could fairly make a deduction of 50% from any compensation payable to take account of her responsibility for her own losses by way of contributory negligence. That would mean she'd be receiving the same amount of redress as the bank has already paid her.

I don't say any of this to downplay the impact of this on Miss F. I have sympathy for her and the position she's found herself in. Nonetheless, I'm satisfied that the compensation she has been paid by the bank is more than I would've been inclined to award and so I can only find it to be fair and reasonable in all the circumstances.

Final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 14 August 2025.

James Kimmitt
Ombudsman