

The complaint

Miss S complains that Bank of Scotland plc trading as Halifax ("Halifax") didn't do enough to protect her from a purchase scam. She says Halifax should refund her all the money she lost.

What happened

Miss S said she saw a relative's holiday on social media. She contacted her relative, who gave her details of someone who had arranged the trip. Miss S got in touch with this person and agreed they would organise a holiday for her and her family.

On 8 July 2024 she made two payments to them of £288.99 and £1,038.99. She said that soon after the total holiday cost was increased from £7,500 to £10,000. When she tried to cancel, the organiser threatened her. Miss S said this was later resolved after the organiser agreed to proceed at the original price.

Between 8 and 11 July 2024 Miss S made further attempts to pay. Four payments were blocked or returned during this period, but two payments of £1,413.00 and £1,687.00 were processed on 11 July 2024. Miss S said she asked for booking details in August 2024, but none were provided. When she checked with the hotel, she found no reservation had been made. She then realised she'd been scammed, and when she tried to contact the organiser, she was blocked by them.

Miss S complained to Halifax, and it investigated her concerns. Halifax said it didn't think it could reasonably have intervened to prevent the first two payments. But it accepted that, having spoken to Miss S by phone and in branch between 9–11 July 2024, it could have asked more questions and potentially identified the scam before processing the final two payments. It therefore offered to refund 50% of these two transactions.

Halifax also mistakenly included in its redress calculation a further £500, this being 50% of a £1,000 payment which had already been returned to Miss S. In total it paid £2,050 compensation, plus £52.12 interest and £150 for distress and inconvenience, as it acknowledged giving misleading information when Miss S first raised her concerns in August 2024.

Miss S was unhappy with this outcome. She said she had lost £7,429 in total, had received £1,000 back via another provider and £2,377.98 from Halifax, and she wanted Halifax to refund the remainder. She said Halifax did not intervene when it should have done and that it should take full responsibility.

An investigator at this service looked into the complaint and concluded Halifax hadn't acted unfairly in declining to refund the first two payments, and that the compensation it had already paid in respect of the final two payments was fair and reasonable.

Miss S didn't agree and asked for an ombudsman's decision, so her complaint has been passed to me to make a 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 position in law is that Miss S is responsible for the payments she made. And Halifax has a duty to make the payments she tells it to.

But as supported by the terms of the account, that doesn't preclude Halifax from making fraud checks before making a payment. And, considering regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably do this in some circumstances.

Halifax was signed up to a voluntary code called the Contingent Reimbursement Model (CRM) at the time Miss S made these payments. But this doesn't apply in this case, as the payments were made to an account in Miss S's own name, and by card, which are matters the code doesn't cover.

Turning to Miss S's case, she said that after she made one payment for £1,000, she was then unaware of further payments. I can see though that, on balance, Miss S was aware and made all the disputed payments in question. It is clear from what I have read that Miss S discussed payments with Halifax, queried them on the phone and in a branch, and would have needed to use a passcode or app sign-in to make them. So, I am satisfied Miss S authorised all the disputed payments in question.

I also can't say for sure that what Miss S is complaining about is a scam — it may be that this is a civil dispute between her and the person she paid money to, and that she has just not received the service she partly paid for. That said, it may well be a scam and the person she has been dealing with may have been looking to obtain money from Miss S fraudulently all along. It is not clear to me which of these scenarios is more likely after reading all the documents provided by the parties.

That said, I don't need to make a final finding on this though, as it doesn't make a difference to the outcome of Miss S's complaint. This is because, even if I were to conclude it was a scam, I don't think Halifax has done anything wrong for the first two payments and for the second two, I think the compensation offered by Halifax is fair and reasonable.

But before I explain why, I will first address the difference between what Miss S feels she has lost and how much it has been noted she has lost up to date. Miss S said she has lost a total of £7,429 and has received £1,000 plus the compensation from Halifax of £2,377.98 back. She said she is still out of pocket from the scam for £4,051.62. But I can see from her bank statements that she was refunded the full amount from six payments she tried to make, and only four payments went through to her other payment provider account that presumably was then sent on to the person in question. So, although Miss S calculated her remaining loss at £4,051.62, having reviewed her statements I'm satisfied her true net loss is £2,377.98.

Miss S tried to make six payments on 8 July 2024 for £2,004.99, on 9 July 2024 for £2,003.00, two on 11 July 2024 for £1,000 each, and then two more payments for £1,000 on 25 and 29 July 2024. I have checked the statements and can see that Miss S received all these back as a rebate or return.

Of the payments that were made, I can see there were two on 8 July 2024 for £288.99 and £1,038.99, followed by two more on 11 July 2024 for £1,413.00 and £1,687.00. This totalled £4,427.98.

Miss S then received compensation of £2,050.00 from Halifax, leaving a loss of £2,377.98. She then also received an interest payment of £52.12 and a payment of £150 for distress and inconvenience caused by Halifax. After looking through Miss S's statements I can see that this is the case. So, I have proceeded to look at those four payments that did go through, to consider whether Halifax should pay Miss S any more than it already has.

I can't fairly say Halifax ought to have intervened in relation to the first two payments on 8 July 2024. I've reviewed Miss S's statements, and these amounts didn't appear unusual in size or pattern. There was nothing that I think would have caused Halifax concerns at this stage, at least enough that it ought to have intervened. This means I don't think it needs to do anything further and pay compensation for these two payments.

The position is different with the two later payments on 11 July 2024. By then Miss S had contacted Halifax by phone and in branch, and Halifax has accepted that it could have asked further questions to uncover the true nature of what was happening. It has acknowledged it fell short here. I don't need to go further into what Halifax ought to have done, because it has already accepted its actions weren't up to it.

Halifax has paid 50% of the final two payments and erroneously paid 50% of a third payment that was refunded back to Miss S. So, what is left for me to decide is whether Halifax should pay the remaining 50% or not. Halifax has not paid all these two payments back because it said Miss S contributed to the scam too. So, it felt it should pay 50% of these two payments, and Miss S should accept 50% of the losses here, because of her own actions. It felt it should have been able to deduct 50% for Miss S's contributory negligence.

So, as this is where the dispute lies, I have considered whether Halifax's approach was fair and reasonable. I have looked at Miss S's actions in relation to the scam. By 11 July 2024, she had already encountered warning signs — the price increase, the threats made by the organiser, and the absence of any written contract or booking documentation. Despite this, she chose to proceed with further payments. When I consider all of this, I am persuaded Halifax's calculation for compensation here is fair and reasonable in relation to the final two payments. It has also said it would honour the erroneous payment it made too, which I think is a fair outcome in the circumstances.

I can see Halifax awarded interest in line with our approach and paid £150 for distress and inconvenience. This is in line with what I would have awarded if Halifax hadn't already made that offer.

So, even if I were to conclude this was a scam, I wouldn't uphold Miss S's complaint anyway. This is because, for the reasons I have given, I think the offer and payment of compensation by Halifax is a fair one.

I know this will be a disappointment for Miss S, and I am sorry to read about what has happened to her here. But it follows that I don't uphold her complaint and don't require Halifax to do anything more than it has done already.

My final decision

For the reasons I've explained, I don't uphold Miss S's complaint against Bank of Scotland plc trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 8 October 2025.

Mark Richardson
Ombudsman