

The complaint

Mr K complains that Bank of Scotland plc trading as Halifax won't refund a payment he says he made and 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.

Mr K complains Halifax won't reimburse the money that he lost when he fell victim to a task-based employment scam.

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| Payment 1 | 09 October 2024 | £1,288.99 |
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Halifax didn't uphold the complaint, so Mr K brought it to our service.

Our investigator didn't uphold the complaint. Our investigator found Halifax did stop the payment and intervened by speaking to Mr K on the telephone via the branch. She said this was more than she would have expected given the identifiable risk of the payment, and Mr K concealed the reason for the payment and didn't give accurate answers to the questions he was asked.

Mr K has asked for the matter to be referred to 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.

I'm very 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 focussed 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. I haven't. 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. This simply reflects the informal nature of our service as a free alternative to the courts.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Halifax ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I have reviewed Mr K's account and the payment he made to the scam. Having considered when it was made, its value and who it was made to, I'm not persuaded Halifax ought to have found the payment suspicious, such that it ought to have made enquires of Mr K before

processing it. Given its value, I'm not convinced it looked suspicious, particularly when there are no other concerning factors about the payment.

Having said that, Halifax did intervene on the payment and spoke to Mr K. Here Mr K concealed the true purpose of the payment and told the Halifax advisor it was a transfer to a friend as they couldn't meet due to a festival that was ongoing. He goes on to say the month of October is festivals and he isn't sure why the bank has an issue with it., The Halifax advisor explains they have seen a large number of scams with the recipient business Mr K is trying to send the payment to. Mr K goes on to make the payment anyway after giving Halifax what I think is a plausible reason for doing so.

Therefore, taking everything into account, I don't think Halifax could have prevented Mr K's loss. Halifax asked a proportionate type and number of questions for the identifiable risk at the time.

I understand Mr K has referred to another bank that has refunded him following a claim. Unfortunately, I'm unable to comment on another bank's actions. My role is to investigate the circumstances of the complaint against Halifax.

Mr K feels that Halifax should refund the money he lost due to the scam. I understand that this will have been frustrating for him. But I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Halifax needs to pay Mr K any compensation. I realise this means Mr K is out of pocket and I'm sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

Recovery

Much like the investigator, I haven't found Halifax could have done anything more to recover the funds. As the money was moved to another account in Mr K's name then on to the scammer, Halifax could have only attempted to recover the money to where it was sent first, and we know the money was moved on from there. Halifax did try to raise a claim with the beneficiary firm, but it was rejected as it had provided the service it was asked to. This also meant any credit Mr K was given (which he was told was temporary at the time) was taken back, which was the correct thing to do in the circumstances.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 June 2025.

Tom Wagstaff
Ombudsman