

## **The complaint and background**

Mr M complains Bank of Scotland plc trading as Halifax won't reimburse money that was lost from his account after his cousin fell victim to a scam.

Mr M has appointed his cousin Miss A as representative to this complaint.

The detailed background to this complaint is well known to both parties and has been previously set out by the investigator in their assessment. So, I won't repeat it all again here, but I will set out what happened since the complaint was brought to this service and I'll focus on giving my reasons for my decision.

In our investigator's initial findings, he considered the matter at the heart of the complaint amounted to a private civil dispute between Miss A and a third party, and therefore he wasn't satisfied there was any refund due to Mr M under the Contingent Reimbursement Model (CRM) Code. Miss A disagreed and provided further supporting evidence she had fallen victim to a scam.

Our investigator then went on to explain in order to consider whether any refund would be due under the CRM Code, he'd need to be satisfied that Mr M (rather than Miss A) has fallen victim to an APP scam. But in these circumstances, Mr M was acting off the instructions given to him by Miss A. He then explained that ultimately Mr M hasn't lost any money here and it wasn't he who had fallen victim to a scam, but rather Miss A.

As agreement couldn't be reached, the case has now been passed for 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.

First and foremost, it's important for me to explain that whilst Miss A represents Mr M's complaint, the eligible complainant here is Mr M. That's because the account belongs to Mr M and not Miss A. So, whilst the circumstances of the scam that is said to have occurred, Miss A was the victim and not Mr M. Quite simply, Mr M's account was used to facilitate payments on Miss A's behalf – as she says she did not hold her own bank account in order to carry out the transactions herself.

Miss A has made reference to receiving a refund in similar circumstances to an account that belonged to another family member. That is not the subject of this complaint, and each case is considered on its own individual merits – even where the same bank or banking group might be involved. So just because a refund might've been provided in that case, doesn't automatically mean one ought to be due here too.

Halifax didn't make a refund to Mr M because after he initially raised the claim, it was withdrawn shortly after. Halifax's records note the following *'customer's cousin states she has met beneficiary and made claim because they had an argument. Customer wants to withdraw this claim'*. Halifax's stance is that once a case has been raised and then

withdrawn, they cannot reopen the case. I would note that Mr M's request to raise the claim again occurred a month later. As such, I don't think Halifax's decision not to reopen the claim was unreasonable – especially given the reasons why the claim was made and withdrawn in the first place.

Halifax was a signatory of the Contingent Reimbursement Model (CRM) Code, and it was in force when the disputed transactions were made. The CRM Code requires firms to reimburse customers who have been the victim of Authorised Push Payment (APP) scams in all but a limited number of circumstances. But customers are only covered by the CRM Code where they have been the victim of a scam, as defined in the CRM Code. In considering this case, our investigator initially considered this to be a civil matter before later advising that he wasn't satisfied any refund was due, as Mr M himself hadn't incurred a financial loss.

Miss A has made arguments that the CRM Code ought to apply in this case and that Mr M ought to be refunded because he was an unwitting participant in the scam. She said he acted in good faith but was manipulated or used by others and therefore he qualifies for protection under the code. But I can't agree with Miss A's interpretation here. I say this because that would suggest Miss A was the scammer and directing Mr M to make the payments. But from what Miss A has said, it was a third party that was scamming her which resulted in her asking Mr M to make payments on her behalf. In short, in order to qualify for a reimbursement under the CRM, Mr M would have needed to be the party deceived into making the payments by the scammer; but he wasn't it was Miss A.

Furthermore, regardless of whether the CRM Code applies there is another important consideration I also need to think about which our investigator has highlighted. And that relates to who has actually suffered a financial loss here.

Mr M accepts the funds lost from his account of £1,280, weren't his. And from what Miss A has said, she didn't hold an account at the time herself. Instead, she was utilising the account of another family member – Mr A, to hold her funds. And it's Mr A's account that transferred funds to Mr M's account with Halifax in order to facilitate the disputed transactions. It's this money from Mr A's account that was lost. And from what Miss A has said, it wasn't Mr A's money as she says his account was being used to hold her money as she didn't hold her own account at the time. As I'm not satisfied Mr M here has suffered a loss, I can't say Halifax ought to provide any refund.

I've also thought about whether Halifax ought reasonably to refund Mr M for any other reason, but I don't think it should. Nor am I satisfied that Halifax needed to take any action in regard to attempting to recover the payments, especially after the claim was initially withdrawn.

### **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 M to accept or reject my decision before 14 November 2025.

Mark O'Connor  
**Ombudsman**