

The complaint

Mr L complains about Bank of Scotland plc trading as Halifax.

He says that he fell victim to a scam in January 2024 and would like Halifax to refund him the money he has lost.

What happened

Mr L had been told by a contact that he would be able to purchase two plots of land in Africa for £10,500.

He paid £10,000 from his account with Halifax, and £500 from his account with M, another bank, to complete the purchase.

The person Mr L sent the funds to told Mr L to split the funds into separate payments of £2,500 over two days, as they explained that Halifax would likely stop a payment of £10,000.

Mr L made the payments and then travelled to see the land he had purchased but found that no such land existed – he then made a complaint about what had happened to Halifax as he says it should have done more to protect him.

Halifax assessed Mr L's complaint under the Lending Standards Board Contingent Reimbursement Model (the CRM code). It upheld his complaint in part. It said that the first two payments Mr L made were not unusual compared to his normal account usage, but that it could have done more for payments three and four.

However, as it also said that Mr L didn't have a reasonable basis for belief, it refunded him 50% of payments, plus interest, rather than 100% of payments three and four. It also paid Mr L a further £60 in recognition of the service he was given by Halifax when making his complaint.

Mr L remained unhappy, so he brought his complaint to this Service.

Our Investigator looked into things but thought that Halifax had already done enough to put things right. Mr L asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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.

It isn't in dispute here that Mr L has been the victim of a scam – and I am very sorry to hear of the situation he now finds himself in. However, even when a scam has occurred, it doesn't necessarily mean that a bank needs to refund the money that has been lost. It is also important to remember that it isn't Halifax that has caused the loss, but the scammer.

Mr L authorised the payments he made. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that he's liable for the transaction. But Mr L says that he has been the victim of an authorised push payment (APP) scam.

Halifax has signed up to the provisions of the Lending Standards Board Contingent Reimbursement Model (the CRM code) which requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scams like the one Mr L fell victim to, in all but a limited number of circumstances.

A customer who has fallen victim to a scam should, under the CRM Code, be refunded in full in most circumstances. But the Code does set out exceptions to reimbursement which a business can choose to rely on, if it can evidence that they apply.

Generally, there are two exceptions to reimbursement under the CRM Code (there are other exceptions, but these do not apply here)

- Mr L ignored an 'Effective Warning'
- Mr L made the payments without a reasonable basis for belief that they were for genuine goods/services; and/or the supposed investment was legitimate

Looking at the first two payments Mr L made on 21 January 2024, I don't think that Halifax was required to provide Mr L with an effective warning about what he was doing – they weren't that unusual compared to the way he usually operated his account, and Mr L had made several large payments previously, including a payment of £5,000 just the day before.

However, Halifax has already admitted that it could have done more to protect him when he made payments three and four on 22 January 2024 and has relied on the second exception to the CRM code. This means that it has only refunded Mr L 50% of payments three and four.

I therefore need to decide if Halifax can fairly and reasonably rely on this exception, and I think that it can. I'll explain why.

Mr L found out about the opportunity to purchase some land through a person on his contact list via a messaging service – he did not know or meet the individual in question. He was provided with photos of the land, but I cannot see that Mr L was given any further proof that the seller owned the land or had the authority to sell it. No contracts or other documents changed hands, and Mr L appears to have taken the sellers word for the sale.

While I understand that Mr L says that he has previously bought land in this way, I don't think that this means that this is a usual practice – I would have expected at least some documentation or contract to have been provided to him. I also think that the seller asking Mr L to split up the payment to avoid detection should have raised concerns for Mr L – if this was a legitimate transaction, then there would be no need to conceal it.

I know that our Investigator has also raised concerns about Mr L not being eligible to purchase land in the country he intended – and Mr L has said that he was born in this country and so is able to do so. While I accept that it may have actually been possible for him to purchase land legitimately, I still think that there was enough going on that Mr L should have applied more caution than he did.

In summary, I don't think that Mr L was as careful as he should have been before parting with his money – and I think that Halifax has fairly applied the exception to reimbursement.

My final decision

I don't uphold this complaint, and I don't direct Bank of Scotland plc trading as Halifax need to refund Mr L any more of his losses.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 19 September 2025.

Claire Pugh
Ombudsman