

The complaint

Mrs B is unhappy that Bank of Scotland plc, trading as Halifax, will not refund the money he lost as the result of a scam.

Mrs B brought her complaint through a representative, for ease of reading I will refer here solely to Mrs B.

What happened

As both parties are aware of the details of the scam, I will not repeat them in full here. In summary, Mrs B fell victim to a job/task scam. She saw an advert on Facebook that gave a WhatsApp number to contact. She did so and was offered the opportunity to complete tasks online to earn commission. She was told that to access the tasks she first needed to send funds via a money transfer service. She made the following payments by debit card:

payment	date	value, £
1	12/07/2024	346.99
2	12/07/2024	963.99
3	12/07/2024	1,349.99
4	12/07/2024	1,416.99

After making the fourth payment, Mrs B ran out of money but still had tasks to complete so she was asked to transfer more. At this point she realised it was a scam. She called the money transfer service to cancel the payments. But it was too late and it was unable to recover the funds.

Mrs B says Halifax did not do enough to protect her money. Halifax says there was no reason for it to intervene in the payments. And they are not covered by the Contingent reimbursement Model (CRM) code as they were made by debit card. So it will not be refunding any of the payments.

Our investigator did not uphold Mrs B's complaint. She did not find Halifax ought to have carried out further checks before processing Mrs B's payments.

Mrs B disagreed. In summary, she said the pattern and value of the payment was not consistent with how she used her bank account, so intervention by the bank was necessary.

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.

There's no dispute that Mrs B made and authorised the payments. At the stage she was making these payments, she believed she was transferring funds to allow her to access tasks as part of a job opportunity. I don't dispute Mrs B was scammed and she wasn't making payments for the reason she thought she was, but I remain satisfied the transactions

were authorised under the Payment Services Regulations 2017.

It's also accepted that Halifax has an obligation to follow Mrs B's instructions. So, in the first instance Mrs B is presumed liable for her loss. But there are other factors that must be considered.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what was good industry practice at the time, I consider it fair and reasonable that in July 2024 Halifax should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

To note, as the payments were made by debit card, and to accounts in Mrs B's name, the principles of the Contingent Reimbursement Model (CRM) code do not apply in this case.

In this context, I do not think Halifax can fairly be held liable for any of the payments. I'll explain why.

It was reasonable for Halifax to process these transactions as it did. I do not find they had sufficiently clear characteristics that ought to have led Halifax to conclude Mrs B was at risk of possible financial harm. The amounts were paid to an account in Mrs B's name at a company she had paid funds to previously. She argues the pattern was not typical for her, but simply a different pattern of transactions is not the same as a pattern that has suspicious characteristics that indicate potential financial harm. There is a balance to be struck. Banks have obligations to be alert to fraud and scams and to act in their customers' best interests. But they can't reasonably be involved in every transaction, this would cause unsustainable disruption to legitimate payments activity.

It follows I think it was fair for Halifax to follow Mrs B's payment instructions without intervention. And logically it cannot therefore be held liable for Mrs B's losses.

I am aware Mrs B told us about her vulnerabilities during this investigation but, as our investigator said, there is no evidence Halifax were aware of any vulnerabilities that should have made it take different steps.

I have then considered if Halifax did what we would expect to try to recover Mrs B's money once she reported the scam. As the payments were made by debit card the opportunity to recover the funds would be through the chargeback scheme. But I don't consider that any chargeback claims would have had any prospect of success. There would have been no valid chargeback right given there was no dispute that the money transfer service provided

the service it 'sold' to Mrs B. The funds appeared in her account there, and they were then subsequently sent to the scammer. So I can't say there was any failing in this regard on Halifax's part.

It follows I am not instructing Halifax to refund any money to Mrs B. I'm sorry Mrs B has lost a considerable amount of money and I can understand why she would like to be compensated for her loss. I do accept Mrs B has fallen victim to a sophisticated scam. But I can only consider whether the bank, which had no involvement in the scam itself, should be held responsible for what happened. For the reasons set out above I do not find Halifax can be held liable in the circumstances of this case.

My final decision

I am not upholding Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 2 October 2025.

Rebecca Connelley
Ombudsman