

The complaint

Mr S complains that Bank of Scotland plc trading as Halifax ("Halifax") won't refund a payment he made as part of 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, I understand it to be as follows.

In November 2024, Mr S made a payment of £859.95 to purchase a phone via an online marketplace. But, when Mr S received the delivery, the package contained a box of rocks instead of the phone.

Mr S contacted Halifax to request they refund the payment, given he hadn't received the goods paid for. Halifax then went on to raise a chargeback. The merchant defended the chargeback and so Halifax requested additional information from Mr S.

Mr S provided further evidence to Halifax but they didn't deem it sufficient to continue with the claim. Halifax also stated that the additional evidence was received after the deadline required to continue Mr S's claim with the merchant. Unhappy with this, Mr S raised a formal complaint with Halifax.

Halifax investigated the matter but declined to reimburse Mr S's loss. They stated that Mr S failed to provide evidence within the required time-limits and that the evidence which was provided wasn't sufficient in order to pursue the matter further. Unhappy with this response, Mr S referred his complaint to our service.

An investigator looked into the matter but did not find in Mr S's favour. The investigator found that Halifax had processed the chargeback correctly and that they hadn't received the required evidence within the relevant timeframes. The investigator also stated there was nothing else Halifax could've done to prevent Mr S's loss.

Mr S fundamentally disagreed with the investigator's findings and provided detailed reasons why.

As the complaint couldn't be resolved by the investigator it has been passed to me 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.

Mr S has provided submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service, I will focus here on the points I find to be material to the outcome of Mr S's complaint. This is not meant to be a discourtesy to Mr S and I want to assure him I have considered everything he's submitted carefully.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

The payment Mr S has disputed was made using his Visa debit card. This means that the payment is covered by a scheme run by Visa, known as 'chargeback'. Importantly, this scheme offers a route of resolution in disputes between consumers and the merchant to whom the payment has been made. A chargeback isn't a legal right for consumers, but is instead a voluntary process offered by each scheme.

In order for me to find in favour of Mr S I'll need to be satisfied that, on the balance of probabilities, his chargeback claim stood a reasonable chance of success.

When Mr S's chargeback claim was defended by the merchant, Halifax requested additional confirmation that the package was successfully returned to the merchant.

Mr S then went on to provide Halifax with further information and evidence in order to substantiate his claim. Unfortunately, Halifax stated that this evidence wasn't received in time in order to escalate the dispute further through the chargeback process. But, Halifax also stated that this evidence wasn't sufficient to demonstrate that the package had successfully been returned to the sender.

Having reviewed the evidence provided by Mr S, I'm not satisfied that this evidence does demonstrate that the package was returned to the sender. I appreciate that the failure in delivery may not directly lay with Mr S and may be because of some underhand tactics by the merchant in not accepting the delivery. But, that doesn't change the fact that the package wasn't returned successfully, which is something that would need to be proven in order for the chargeback to have a reasonable chance of success.

Furthermore, it wouldn't be fair for me to find Halifax responsible for any such actions of the merchant, and instead I have to focus my findings on whether they've taken the correct course of action when dealing with Mr S's chargeback.

So, on the balance of probabilities, I find it unlikely any chargeback raised on behalf of Mr S stood a reasonable chance of success given the lack of evidence confirming the package had been returned. I'm also satisfied that Halifax took the appropriate steps when dealing with Mr S's claim.

Lastly, I'm not persuaded that this is an instance in which Halifax ought to have identified that Mr S may be at risk of fraud or financial harm at the time of the payment and have intervened prior to the release of the funds. I say this as I don't believe the characteristics of the payment, such as the value and type of payment, means that Halifax ought to have cause for concern.

Furthermore, even if Halifax had discussed the payment with Mr S prior to its release, I don't think they'd have been able to identify or foresee the issues he's gone on to face. Because of this, I'm satisfied that Halifax couldn't have prevented the financial loss at the time of the payment.

I understand that this will come as a disappointment to Mr S as he has incurred a financial loss as well as being left without the goods paid for. But, based on everything I've seen, I'm satisfied that Halifax followed the correct process and that the chargeback didn't stand a reasonable chance of success. It's unfortunate that Mr S has incurred this financial loss but I'm unable to say that this is as a result of any failings by Halifax. On that basis, I don't think it would be fair to ask Halifax to reimburse Mr S's loss.

My final decision

My final decision is that I do not uphold this complaint against Bank of Scotland plc trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 September 2025.

Billy Wyatt
Ombudsman