

The complaint

Mr O is unhappy that Bank of Scotland plc trading as Halifax ("Halifax") won't reimburse him the money he sent to a third-party seller for a motorbike which is now says was a scam.

What happened

I'm not going to cover all the points raised in detail. But briefly in February 2025, Mr O found a motorbike for sale on an online marketplace. Mr O contacted the seller and went to see the bike in person. On 18 February 2025 Mr O transferred £1,400 to the seller. Mr O says it was agreed the bike would be delivered on 26 February 2025 but the bike never arrived.

Mr O complained to Halifax that he'd been the victim of a scam. Halifax said this was a civil dispute between Mr O and the seller.

Mr O bought his complaint to this service. Our investigator did not uphold the complaint. He said the beneficiary bank had provided evidence that the bike was delivered and it seemed there was an issue with the quality of the bike. He said some of the evidence Mr O provided contradicted the evidence provided by the beneficiary account holder. On balance he said there was insufficient evidence to say an authorised push payment (APP) scam had taken place. And therefore, he felt the matter was a civil dispute which isn't covered by the new Reimbursement Rules.

Mr O remained unhappy. As the complaint could not be resolved informally 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.

Having done so, I've come to the same outcome as the investigator for broadly the same reasons.

It's clear that Mr O feels strongly that the seller tricked him. I don't have the power to decide any dispute between Mr O and the seller. My role is limited to looking at whether Halifax has treated Mr O fairly.

When considering what is fair and reasonable, I'm also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Where I can't know for certain what has or would have happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

In 2024, the PSR required the Faster Payments scheme operator (PayUK) to change the Faster Payment Rules to require the firms that operate over Faster Payments to reimburse their customers sums paid as a result of APP (authorised push payment) scams (herein after referred to as the Reimbursement Rules) in certain circumstances. These Rules came into force on 7 October 2024.

In this case, I've first considered whether the Reimbursement Rules and associated guidance issued by the PSR are relevant to the payment in dispute. Where they are relevant, I must have regard to the rules and guidance, as well as considering what is fair and reasonable in all the circumstances of the complaint.

The Reimbursement Rules¹ set out the requirements for a payment to be covered and sets out the features and definition of an APP scam. The Rules specifically define an APP scam as:

"Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a Consumer into transferring funds from the Consumer's Relevant account to a Relevant account not controlled by the Consumer, where:

- *The recipient is not who the Consumer intended to pay, or*
- *The payment is not for the purpose the Consumer intended"*

And the Rules specifically outline that private civil disputes are not covered. The term private civil dispute is defined in the Rules as:

"A dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty."

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

"2.6 Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act."

2.5 provides an example of when this might apply:

"...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier."

¹ <https://www.wearepay.uk/wp-content/uploads/2024/09/FPS-Reimbursement-Rules-Schedule-4-v3.0.pdf> at paragraphs 3.8-3.10

Turning to the definition of an APP scam, Mr O paid the seller and this was the person he intending to pay. So, for Mr O to have been the victim of an APP scam, I would need to be satisfied that the seller was acting fraudulently or dishonestly to deceive Mr O about the very purpose for which his payment had been procured. Here the purpose of the payment was to purchase a bike Mr O had been offered on online marketplace and that he'd inspected in person before sending £1,400.

The evidence around whether Mr O received the bike in this case is contradictory. At the time Mr O made the claim to his own bank, Halifax reached out to the bank that received Mr O's funds, who in turn reached out to the account holder. At that time the account holder shared messages between himself and Mr O. These indicated that the bike was received but there was an issue with it. In this scenario Mr O sent the money to buy the bike he did then receive. His purpose was to buy the bike and the seller's purpose was to sell it to him – so these do match. Mr O did receive the bike he intended to buy; his issues instead stem from the quality of that bike.

Mr O no longer has the advert detailing the condition of the bike that was for sale. And initially he told us that he no longer had any messages between him and the seller. He explained these has disappeared because the seller had blocked him. But in response to the view, Mr O provided numerous messages from the online marketplace and other messages from his mobile number. Contrary to the receiving bank evidence, these suggested Mr O had not received the bike.

As I have said above, where the evidence is incomplete or contradictory, I make my decision on what I think is more likely to have happened taking into account all the available evidence.

In this case, the receiving bank has confirmed it had no other similar claims against the account holder - which is unusual for an account belonging to a scammer. Having reviewed both sets of messages and the circumstances in which they were provided as evidence, on balance I can't safely say this situation meets the definition of an APP scam and is more likely a civil dispute not covered by the Reimbursement Rules.

Halifax didn't need to intervene with the payment either, and even if it had I don't think it would have made a difference given that Mr O says he had viewed the bike in person before making a payment.

Overall, I don't think Halifax has treated Mr O unfairly when it made the decision not to reimburse Mr O. For the reasons I have explained, I'm satisfied Mr O isn't due a refund under the Reimbursement Rules nor can I see there are other grounds on which I could say that Halifax should, fairly and reasonably, bear the responsibility for Mr O's loss.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 27 December 2025.

Kathryn Milne
Ombudsman