

The complaint

Mr H complains that Bank of Scotland plc, trading as Halifax, hasn't refunded the money he believes he lost as a result of an authorised push payment ('APP') scam.

What happened

The circumstances of the complaint are well-known to both parties. So, I don't intend to set these out in detail here. However, I'll provide a brief summary of what's happened.

Between 29 March 2024 and 23 August 2024, Mr H sent five faster payments, totalling £599.40, to a third party, whom I'll refer to as 'J'. Mr H thought his funds would be used towards the cost of booking a holiday, which included flights, airport transfers, accommodation and activities.

On 26 August 2024 (the day Mr H was due to fly), J explained that the flight had been cancelled by the airline. J said he would try and claim a refund and compensation from the airline, after which he would refund Mr H's payments, but no reimbursement has taken place.

Mr H couldn't find any online records of the flight being cancelled by the airline, contrary to what J had told him. And J failed to provide any evidence that the holiday had been booked, such as booking references or cancellation emails, meaning Mr H wasn't able to seek reimbursement or compensation from the airline directly.

Mr H made enquiries with the taxi company which J said he'd paid for an airport transfer, but it said it had no record of J making a booking. Mr H also made enquiries with the tour operator that J said the flights and accommodation had been booked through. It also said there was no record of J making a booking.

Concerned J had simply stolen his money, Mr H obtained a County Court Judgement ('CCJ') against J, which ordered J to reimburse Mr H's money, along with interest and £70 in costs. However, J didn't comply with that order.

Believing J had scammed him, Mr H reported the situation to Halifax and asked it to reimburse his loss. Halifax said Mr H's dispute with J wasn't an APP scam, which meant it wasn't responsible for reimbursing him. Halifax also said it was unable to recover any of Mr H's money from J's own bank account, as Mr H's funds had already been withdrawn.

Unhappy with Halifax's response, Mr H referred his complaint to this service. Our Investigator considered the complaint but didn't uphold it. In summary, our Investigator wasn't persuaded Halifax had acted incorrectly or unfairly when it said the situation wasn't an APP scam, meaning Halifax didn't need to reimburse Mr H's loss.

Mr H didn't accept our Investigator's opinion. He considered that he had provided sufficient evidence to demonstrate J had scammed him and that there was insufficient evidence to suggest J had used his funds for the intended purpose of paying for holiday related expenses.

As an agreement couldn't be reached, the complaint has been passed to me to decide.

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's not in dispute here that Mr H sent funds to J for holiday related expenses and he didn't subsequently receive those services. So, I can understand why he would like to be compensated for his loss of almost £600. I also understand that Mr H believes the evidence currently available demonstrates he was the victim of an APP scam.

Firms, like Halifax, aren't responsible for every APP that ultimately results in a loss to a customer. For me to say Halifax should've reimbursed Mr H, I'd need convincing evidence to demonstrate his funds were criminally obtained by J – i.e., that J had no intention of booking the services the payments were intended to be used for and instead decided to keep Mr H's funds for his own personal gain.

To my mind, there are two possible explanations for what's happened here. The first is that J intended to scam Mr H (and their mutual friends) and never intended to book the holiday or return the funds he received, as Mr H has alleged. The second explanation is that J intended to book and pay for the holiday or return the funds he received but became unable to do so. I have to think about which explanation is most likely in the circumstances.

The first two payments Mr H made to J, totalling £492, were intended to be used to pay for flights and accommodation. Subsequent payments appear to have been towards other holiday related expenses, such as airport transfers and activities. I've been provided with little evidence which demonstrates that J used Mr H's funds for these purposes. And, Mr H has provided evidence from a taxi company and a tour operator which suggest J didn't book and pay for these services, as J claimed to have done.

J failed to provide, when asked by Mr H, evidence that bookings had been paid for or that the airline had cancelled the outbound flight at short notice. I've also been unable to find any evidence online to suggest that the flight Mr H was supposed to take existed or was cancelled, as alleged by J. So, I can understand why Mr H thinks he's been the victim of an APP scam and why he thinks Halifax ought to reimburse him.

I accept this information paints J in a rather damning light. However, I'm not persuaded it's enough to demonstrate that J never intended to book the holiday when he received Mr H's first payments or that he intended to keep the subsequent funds that Mr H sent.

I must keep in mind that the holiday was to celebrate an upcoming wedding, and that Mr H, J and the other attendees were part of a long-standing friendship group of nearly 20 years. So, it seems unlikely that J, in performing his role as best man, would've used that opportunity to scam Mr H (and their mutual friends) and been prepared to risk damaging his relationship with those that paid him or how that would impact his relationship with the groom.

I think it's plausible that J intended to book the flights and accommodation but became financially unable to proceed with the booking and failed to disclose this information (due to guilt or embarrassment), in the hope his financial circumstances might improve, allowing for an alternative holiday to be booked at a later date.

I think it's also plausible that J could've intended to repay the subsequent funds he received for other holiday related costs but wasn't able to do so as his financial situation didn't improve as he'd hoped. And it's likely that Mr H obtaining a CCJ against J led to a complete breakdown in their relationship, resulting in a refund not being provided to Mr H.

I have seen statements for J's bank account which Mr H paid and there's minimal evidence within these to suggest J used that account to make payments relating to the planned holiday – although he did make payments to the taxi company he said he'd arranged the airport transfers with. However, this isn't his only account with the beneficiary bank and it's possible that he holds/held accounts elsewhere which could've been used to pay towards the holiday, although in the circumstances, it seems unlikely.

However, whilst I can't comment specifically on J's transactions that I have seen (due to data protection), J's statements do indicate that there are reasons (other than an intent to scam) which would explain why J may not have booked the holiday or provided a refund that wouldn't suggest he was intending to scam Mr H at the time of the payments.

The statements indicate J got into financial difficulty caused by personal expenditure. So, I think it's possible – and in the circumstances probable – that J's situation spiralled out of control and despite misleading Mr H (and other members of the friendship group) about the holiday, he always intended on refunding his friends once his situation had improved.

I have sympathy for Mr H and I appreciate this situation has resulted in a financial loss and impacted his friendship with J and their mutual friends. But, despite the concerning evidence I've seen about J's conduct, I'm not persuaded I can say on the balance of probabilities that J set out to scam Mr H at the time of the payments. I think it's more likely that J found himself in a situation he was unable to recover from and that sadly resulted in Mr H not receiving a refund of the payments he sent to him.

At the time Mr H reported the situation to Halifax, J had removed Mr H's funds from his account. As a result, Halifax had no way of debiting J's accounts to reimburse Mr H's loss.

Mr H believes the amounts he sent to J should've been returned to him, regardless of whether his (or any other) funds remained in J's account. However, even if I thought Mr H had been the victim of an APP scam (which, for the sake of clarity, I don't), Halifax would've had no grounds to debit J's account if Mr H's funds had already been withdrawn, which in this case they had been. As a result, I'm not persuaded Halifax missed an opportunity to recover Mr H's loss.

My final decision

For the reasons explained 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 H to accept or reject my decision before 28 November 2025.

Liam Davies
Ombudsman