

## **The complaint**

Miss K complains that Bank of Scotland plc trading as Halifax won't refund the money she lost when she fell victim to a scam. She also complains it removed the temporary refund it issued, and closed her account, without warning.

## **What happened**

In August 2024, Miss K sent a series of card payments from her Halifax account to another account she held (with "S"). She has explained she was sending funds on to a third party to rent a property while studying abroad. But she then found out the property didn't exist and she had been scammed.

When Miss K told Halifax what had happened, it temporarily refunded the payments while it attempted to charge them back from S. When S responded to deny the claim, it removed the temporary refund. It later decided to close her account. Miss K says she wasn't notified about the refund removal or account closure in advance, leaving her in a difficult position. So she complained to Halifax about its actions.

Halifax paid Miss K £30 compensation but didn't agree to provide further compensation or refund her payments. Unhappy with this response, she referred her complaint to our service. Our investigator didn't recommend Halifax should do anything further. He didn't think it was liable for the scam payments Miss K was disputing. He found it had sent her a message in advance explaining what would happen with the temporary credit. He also concluded Halifax was entitled to close the account – and had acted fairly to mitigate the inconvenience of this.

Miss K has appealed the investigator's outcome. In summary, she says Halifax didn't do enough to protect her or investigate what happened when she fell victim to a scam. She was vulnerable due to being alone in a foreign country, and it had a big impact on her, but Halifax wasn't supportive – instead closing her account. She considers its message about S's response to her chargeback claim outcome unclear – and says she wasn't given an opportunity to respond to S's pushback.

## **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 decided Halifax doesn't need to take any further action to resolve this complaint. I'll explain why.

It's agreed Miss K authorised the payments she is now disputing. That means the starting position is that she's liable for them. In line with the Payment Services Regulations 2017 (PSRs), firms are expected to process authorised payment instructions without undue delay.

However, Miss K says she made this payment due to being tricked by a scammer. In line with longstanding regulatory expectations and requirements and what I consider to be good industry practice at the time, I'd expect Halifax to be on the lookout for the possibility of fraud – and to make additional checks before processing payments in some circumstances.

Looking at the payments Miss K is disputing, I'm not persuaded they presented an obvious fraud risk. They didn't look particularly suspicious or uncharacteristic compared to her usual spending. And they were spread out over the period of a few days and didn't drain Miss K's account. Halifax would also have seen the payments were being sent to a regulated firm.

I do appreciate what Miss K has explained about why she was vulnerable to this scam and the impact it had on her. But having carefully considered the circumstances, I don't think Halifax was on notice of anything which meant it ought to have known to do more to protect Miss K at the time of these payments. I therefore don't think it would be fair to hold Halifax at fault for not preventing the scam.

While Miss K says Halifax should have done more to investigate when she reported the scam, the way the funds were moved on meant there wasn't much it could do to help recover her loss. The funds weren't sent to a scammer directly from the Halifax account; Miss K has explained she sent the payments on from her S account.

As the payments were made by card, they are covered by the voluntary chargeback scheme. This allows customers to ask for a transaction to be reversed in limited circumstances – normally if there's a problem with the goods or services they've paid for. But there's no automatic right to a chargeback, and the ultimate decision on whether a claim succeeds sits with the card scheme provider rather than Halifax.

Here, Halifax did initiate a claim for Miss K. But S responded to confirm it had provided the expected service (i.e. loading the funds to Miss K's account). Halifax sent Miss K an email about this on 3 October 2024, explaining it would remove the temporary credit it had paid her unless she provided new evidence. When no reply was received, it proceeded to take the money back on 18 October 2024 (as the message had explained it would).

Miss K says the messages from Halifax were inadequate and she wasn't given a chance to respond to S's pushback. But I'm persuaded Halifax did enough to notify her. It sent her an email which contained specific information relevant to her dispute (such as the claim reference). It also sent her a text notifying her about the email. And she had been told over the phone to expect a response – and warned that the refund might be taken back. If Miss K was concerned about the messages, she could have called Halifax to verify them – as she did when the refund was recalled.

I'm satisfied the email gave Miss K the opportunity to provide further information to support her claim. In any event, I don't think she would have been able to provide anything further that would have resulted in her claim succeeding. The chargeback claim was against S, and the scope was limited to S's role in the payments she sent them (not anything further that happened from that account). So, I don't think there was a realistic prospect of a chargeback claim against S succeeding; it's agreed S loaded the funds to Miss K's account. The real cause of her loss was the actions of the scammer.

Shortly after this, Halifax made the decision to close Miss K's account. While it gave her around two months' notice, it suspended access to her account immediately. This clearly caused Miss K inconvenience, particularly as she was abroad – meaning Halifax's instruction for her to attend branch with ID to access her funds wasn't viable.

However, under the account terms, Halifax did have the right to close the account; that's within its commercial discretion. And there are circumstances under which it can close an account without notice. I also think Halifax acted reasonably to mitigate the inevitable inconvenience caused – such as by offering to transfer the funds to an existing payee. It also appears Miss K had another account, as she confirmed to Halifax during a call at the time, further mitigating the impact of losing access to this account.

I'm also conscious that, during the course of this complaint, Halifax paid Miss K £30 compensation. Thinking holistically about the impact of any errors by Halifax on Miss K, I'm not persuaded further compensation is due. I do understand the overall situation had a big impact on her. But that was mostly down to the actions of the fraudsters rather than any failings by Halifax.

### **My final decision**

For the reasons given above, my final decision is that Bank of Scotland plc trading as Halifax has already fairly settled this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 26 November 2025.

Rachel Loughlin  
**Ombudsman**