

The complaint

Ms R is unhappy that Bank of Scotland plc trading as Halifax won't reimburse her after she says she fell victim to a property purchase 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 and based on the submissions of both parties, I understand it to be as follows.

In early 2020, Ms R was interested in purchasing a property in Dubai. Ms R was introduced to a property dealer in Dubai through a mutual family friend who had been trusted for nearly 10 years. Ms R agreed to purchase a property which was on offer at a significant discount.

On 13 May 2020, Ms R made a payment of £180,000 from her account with Halifax. The payment was made in branch. The remaining funds required to purchase the property were made from an account with Santander.

Once the payment was made, Ms R was advised she would receive legal documents to sign which took place in July 2020. And by September 2020, when Ms R's ex-husband decided to fly to Dubai to conclude the property purchase, it came to light that they had been scammed.

A complaint was raised with Halifax in May 2024 through Ms R's professional representative. Halifax rejected the complaint advising they were unable to provide an outcome because information provided by Ms R had so far been insufficient. And at the time of issuing its final response letter in August 2024, it had still not received documents Ms R advised she would be, and therefore it was unable to assess her claim.

After bringing her complaint to this service, our investigator also rejected Ms R's complaint. She wasn't satisfied that any questioning of Ms R in branch would have suggested she might be falling victim to a scam. She wasn't satisfied a scam would've been discovered. As an agreement couldn't be reached, the case has since 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.

In this decision I've focussed on what I think is the heart of the matter here. As a consequence, if there's something I've not mentioned, it isn't because I've ignored it – I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I consider is a fair and reasonable outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

As such, the purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by the parties to this complaint, and reach what I think is an independent, fair and reasonable decision, based on what I find to be the facts of the case.

What I would firstly like to point out is that the testimony that's been provided to both Halifax and this service at times have been inconsistent. As such, it is difficult to place much weight on Ms R's testimony. For example, when Ms R reported her complaint to Halifax through her professional representatives, it was explained that the properties she was offered were two property developments for sale and whilst they were not built yet it would be an investment. But when questioned about the significant discount that was on offer by our investigator, it was later explained by Ms R that the discount was due to the property dealer specialising in 'distressed' properties.

We've also seen no evidence from Ms R about the company the individual purported to represent in relation to this property purchase nor any evidence of interactions with her ex-husband who was also seemingly involved. Ms R has provided what appears to be an identity document for the individual which appears to name the company they work for. But I'm not satisfied that's sufficient proof that evidence's this individual informed Ms R that's whom they were acting on behalf of in relation to this property purchase. In fact, the available evidence is quite limited. Ms R also says she reported a claim with Halifax and a subsequent complaint in 2020, but there's no supporting evidence of this either. Yet we have Halifax's system records covering the entire period from when the payment was made through to when Ms R's complaint was raised with Halifax in early 2024. And these records do not reflect any such contact.

In addition to the above, what we do have from Ms R, is a signed copy of a special power of attorney, copies of several emails with the property dealer, evidence she says was provided by the property dealer of a property they owned in Dubai, as well as some messages exchanged with them in late 2023. There is also a copy of an email sent to the police in Dubai.

We also have confirmation from Ms R's son who spoke to Halifax on her behalf confirming there was a period (several years later in 2023 – based on the supporting evidence provided) where attempts were made to negotiate a settlement with the property dealer and that both ActionFraud and the police in Dubai considered the circumstances to be a civil matter.

Halifax and our investigator have considered Ms R's case on the basis that she has fallen victim to a scam. From the limited evidence available to me, I think its arguable. It's also entirely plausible just as ActionFraud and the police in Dubai have explained that the circumstances here could also be a civil matter. But even if I were satisfied Ms R had fallen victim to a scam, I've ultimately reached the same conclusions as our investigator and I'll explain further below.

It isn't in dispute that Ms R authorised the transaction in question. She is therefore presumed liable for the loss in the first instance. However, Halifax is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

In this case, the payment was processed in branch. As such there was a natural opportunity for Halifax staff to ask Ms R about the payment and I'd expect it to intervene in a manner proportionate to the risk identified. What I have to consider when making my decision here is to what extent should Halifax have intervened in connection with the payment being made by Ms R and if it had done so, whether it would have prevented the loss she went on to suffer.

Halifax have explained that when the payment was made, their High Value Checklist process was followed at the time and was verified by two colleagues. As part of this process,

Ms R would have been required to confirm her understanding of its fraud awareness leaflet and respond to a series of questions. Halifax has confirmed that the checklist is completed electronically, but they are unable to retrieve a copy of the actual checklist used at the time. But whilst they cannot view the specific checklist that was completed, Halifax is confident that no red flags were identified during the process. And had any concerns been raised, either their systems or staff would have prevented the payment from being authorised.

From Ms R's recollection however, she says the leaflet was in English and therefore she would have been unable to read the information contained within it. And her representatives argue that when completing the checklist, only one question was asked relating to the leaflet which she could not understand. As such it considered the intervention to have fallen short of being appropriate.

I have to agree, that I'm not satisfied there's sufficient evidence that supports an intervention in a manner to the risk identified was carried out by Halifax. But, I'm not entirely convinced that Ms R did not understand at all the circumstances around what was happening, and that she wouldn't have been able to understand what was being asked of her.

I say this because prior to the £180,000 payment being made, Ms R had attempted a payment of £150,000 the day before – that was in relation to the same alleged property purchase. However, this payment was immediately returned because it was missing a payment reference, which was required by the receiving bank in order for it to be accepted. And its clear Ms R understood this, because she's provided evidence of an email – which is written in clear, understandable English that she sent to the property dealer explaining this.

As such I'm not satisfied as Ms R's representatives suggest that Halifax ought to have engaged in effective intervention in a language Ms R understood. It's evident that Ms R's family were aware of this transaction, from her children to her ex-husband. So she wasn't entering into this alleged purchase without anyone's knowledge. I think it's most likely that she either was able to understand what was going on, or she was being supported by a family member in making the payment. Furthermore, Ms R's representatives have explained she has functional English skills which allow her to manage everyday tasks as well as running her sole trading business at the time.

I've considered what happened when the first attempted payment of £150,000 was returned and the actions Ms R took. Even if I were satisfied that Halifax ought to have asked questions about the property dealer – and I'm not persuaded by this, I think its most likely Ms R would have been provided with sufficient additional evidence or information to support her being able to proceed with the payment. I disagree that just because the payment was being made to an individual that ought to have been a red flag when framed around the transaction being in relation to a property purchase. Afterall, Ms R has been able to present some documentation – which included a power of attorney document. And from the available evidence provided by Ms R was already in her possession at the time of the payment being made. Furthermore, she was already convinced as to the legitimacy of the property dealer in light of how the introduction came about and the evidence that had been provided to her about ownership of a property.

I also cannot ignore that Ms R appears to have closer connections to this property dealer based on interactions she had with them in late 2023 and the comments she made directly to them. This was several years after the disputed transaction took place.

I must keep in mind that firms need to strike a balance between disrupting the payment process to protect customers from fraud and allowing legitimate payments to be made. And in this case whilst I agree Halifax should have done more, I'm not persuaded that the available evidence shows that any shortcomings on its part were the cause of Ms R's loss.

I've considered whether there are any ways Halifax could have recovered Ms R's money, but I don't consider it could have. The first reporting of the events didn't take place until 2024 and recovery would have been on a best endeavours basis in light of the payment being made internationally. By the time Halifax had issued its final response letter, it advised that it had received no response from the receiving bank.

My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 16 October 2025.

Mark O'Connor
Ombudsman