

The complaint

Mr C has raised a complaint against Bank of Scotland plc, trading as Halifax, for refusing to refund a payment he made in 2020 which he believes was directed towards a scam.

A professional representative, R, has brought the complaint to our service on Mr C's behalf.

What happened

In July 2020, Mr C says he transferred £10,000 from his Halifax account to Company B, believing he was purchasing shares in another business, Company W. When the investment failed to materialise, he concluded he had been the victim of a scam.

In September 2024, R raised a complaint with Halifax on Mr C's behalf, arguing that the bank was liable for the loss and should provide full reimbursement. R said Halifax should not have processed the payment without further checks and should have recognised Mr C as someone more vulnerable to scams at the time.

Halifax did not respond, so R referred the matter to our service in March 2025. An investigator here requested information from Halifax in May 2025, but the bank requested further time to respond. Despite this, the investigator issued an outcome based on the available evidence, concluding there was insufficient evidence of a scam and recommending no further action. Shortly after, Halifax rejected the complaint, recommending that Mr C pursue it as a civil dispute.

R disagreed with the investigator's findings and asked for a final decision. They said they were gathering further evidence to demonstrate a scam had occurred and requested additional time. The investigator granted an extension until mid-September 2025, but by the time of writing—over two months beyond that deadline—no new evidence had been provided. I'm therefore satisfied that all parties have had a fair opportunity to submit any final arguments or evidence, and I am now ready to issue my final 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 agree with the conclusions reached by the investigator that Halifax aren't required to take any further action to address this complaint. The reasons for this are outlined below:

Was the payment authorised?

First, it's important to take account of the relevant law in place at the time of the payments when assessing liability for the disputed transaction. In this case, that is The Payment Services Regulations 2017 (PSRs). Under these regulations, a payment service provider such as Halifax is expected to process a transaction that a customer authorises it to make.

In its submissions, R appeared to argue that the transaction was unauthorised because Mr C did not provide his informed consent. This was because he believed he was paying a legitimate party, rather than a scammer. However, even if I accept that a scam occurred (which I will address later), I do not consider the payment to B to be unauthorised in view of the available evidence.

Under the PSRs, a payment is authorised if the payer consents to its execution in the manner agreed with their payment service provider. This consent must be given through the agreed form and procedure, typically specified under the account terms and conditions. The regulations do not refer to “informed consent” being necessary in the manner described by R.

In this case, there’s no suggestion from R that a third party was involved in the execution of the payment from Mr C’s account. While an individual can be deceived into making a payment under false pretences, that does not necessarily make it unauthorised. Such circumstances would more likely satisfy the definition of an Authorised Push Payment (APP) scam. Broadly speaking, this is considered to be a payment when someone is tricked into sending money to a fraudster. This is essentially what R is saying happened here.

Therefore, I am satisfied that the payment would be considered authorised under the PSRs. The starting point is that Mr C, not Halifax, is liable for an authorised transaction.

However, that is not the only factor to consider. At the time of the payment, Halifax was a signatory to the Contingent Reimbursement Model (CRM) code, which generally requires firms to reimburse customers who have fallen victim to APP scams, except in a limited set of circumstances.

While Halifax incorrectly said in its final response that the disputed payment wasn’t eligible under the CRM code because it was directed to a registered company, the code only applies to payments subject to an APP scam. I’ve therefore considered whether the available evidence demonstrates this as R has argued.

Was the payment to Company B the subject of an APP scam?

R’s arguments regarding Halifax’s liability were based on the premise that Mr C had been scammed. However, I hope it is understood that I must consider whether the evidence demonstrates this.

In this case, the details provided were very limited. While I can confirm from bank statements that a payment was made to Company B, there is no evidence of the terms of the investment, how it was meant to work, or when Mr C realised he would not receive what he expected and concluded he had been scammed.

The documentation provided by R primarily consists of undated WhatsApp screenshots of a group chat which includes general discussion about Company W. There is also an email sent by Mr C to a representative of Company B from November 2020, which does appear to align with him thinking he had purchased shares in Company W.

I have also carried out online research into Company B and Company W, both of which were controlled by the same individual. While Companies House records show that Company W was dissolved in September 2022 and there is an active proposal to strike off Company B, I have found no evidence linking either company—or that individual—to any alleged scam.

Although R referred to other victims who had lost money, no supporting evidence was provided to substantiate this or to address the investigator’s earlier assessment. Additional

time was granted for R to supply further material to support that a scam had occurred, but this deadline passed several months ago. So I think it is fair and reasonable to make a decision based on what our service has available.

I appreciate that Mr C will be disappointed, but I have not seen sufficient evidence to establish, on the balance of probabilities, that a scam occurred or to distinguish this from a failed investment. Therefore, I cannot reasonably ask Halifax to reimburse the losses under the CRM code which requires an APP scam to have taken place. If I cannot determine that Mr C was scammed, there is no obligations on Halifax to do anything further in relation to this payment that Mr C instructed it to make.

Recovery

The transfer was reported to Halifax by R over four years after it took place. In these circumstances, I consider it highly unlikely that the bank would have been able to recover any funds. There is also the additional issue that Halifax would have needed to persuade the recipient bank that Mr C had been scammed in order to return the funds.

My final decision

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 January 2026.

James Abbott
Ombudsman