

The complaint

Mr S has complained that Bank of Scotland plc trading as Halifax won't refund money he says he has lost to scam.

What happened

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my 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 investigator's findings for broadly the same circumstances, I will explain why.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. 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 think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Banks have various and long-standing obligations to be alert to fraud and scams and to act in their customers' best interests. These are predicated on their having been a fraud or scam. So, a first consideration in determining Revolut's obligations here would normally be:

- was Mr S scammed as he alleged and to establish the loss he suffered.

I want to confirm that I don't doubt Mr S' version of events, but while I don't dispute what Mr S has told us, our service has asked Mr S' representative (when he was being represented) on several occasions to provide further evidence. I want to highlight at this stage I haven't overlooked Mr S' comments regarding the evidence or the difficult circumstances, or the challenges he faced obtaining certain evidence.

However, given the circumstances of this complaint and how the scam evolved, I don't think it is unreasonable to conclude that Mr S would be able to provide some evidence of the loss as a result of a scam, such as his crypto currency statements showing the funds being transferred to a third-party's accounts or evidence the funds were lost to the alleged scammer. Or scam conversations demonstrating the scammer provided Mr S with details of where to send the funds to, and discussions surrounding the alleged 'investment' scam. As such, I haven't seen anything to specifically show that the transactions in questions were carried out in relation to a scam. I've considered Mr S' testimony and while I can be satisfied that he made the transactions on his account, I can't be satisfied that the ultimate beneficiary of the funds was to the scammer.

However, I appreciate Mr S has provided evidence of him trying to obtain the evidence in question, so, in absence of the evidence requested I have considered the events which took place. It's not in dispute that Mr S authorised the disputed payments in question. Between 7 September and 24 September 2024, Mr S says he fell victim to an investment scam. He sent several payments from his Halifax account to a third party firm to an account in his own name, (where the funds were subsequently transferred on to the scammer).

Halifax would generally be expected to process payments a customer authorises it to make. While I accept that Mr S didn't intend for his money to go to the fraudsters, under the Payment Service Regulations 2017 (PSRs) he is presumed liable for the loss in the first instance as the payments were authorised by him. This is unless there is sufficient evidence that Halifax should fairly and reasonably have done more to protect Mr S.

Our investigator originally reached the outcome that Halifax ought to have considered that payment seven, of £4,000, which occurred on 24 September 2024, carried a higher risk of potential financial harm from fraud and as such, Halifax ought to have intervened. While I think it could be argued that payments prior to this transaction ought to have triggered Halifax's fraud detection systems, I am not persuaded, an earlier intervention would have prevented the loss Mr S suffered.

I've considered the value of the payments and when the payments were made. The FCA's Consumer Duty, which was in force at the time these payments were made, requires firms to act to deliver good outcomes for consumers including acting to avoid foreseeable harm. In practice this includes maintaining adequate systems to detect and prevent scams and to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers. As such, firms, have developed warnings to recognise both the importance of identifying the specific scam risk in a payment journey and of ensuring that consumers interact with the warning.

In light of the above, by September 2024, when these payments took place, Halifax should have had systems in place to identify, as far as possible, the actual scam that might be taking place for example by asking a series of automated questions designed to narrow down the type of scam risk associated with the payment he was making – have provided a scam warning tailored to the likely scam Mr S was at risk from. I accept that any such system relies on the accuracy of any information provided by the customer and cannot reasonably cover off every circumstance.

While I can't see any evidence to suggest Halifax intervened in this way, I am not persuaded, even if it had, it would have prevented Mr S proceeding. I say this because, I am aware that on 13 September 2024, a third-party firm, intervened in the way I have highlighted above. This is prior to payment seven, and on the same day Mr S' started sending faster payments of an increased value from his Halifax account. Having considered the third-party intervention, I am satisfied, that despite the warning provided (based on how Mr S answered the questions) being very similar to his own circumstances, and the third party clearly highlighting this could be a scam, Mr S chose to proceed. So, while I acknowledge Mr S' argument, that and Halifax have intervened sooner, it would uncover the scam, I disagree. I haven't seen any evidence to persuade me that Mr S would have acted differently, if Halifax had intervened, sooner and in the way which I have highlighted above, which I feel would have been proportionate at that time.

I am also aware that Halifax intervened when Mr S attempted to transfer £20,000 on 24 September 2024, via telephone. And given the value of the payments and other considerations, I would have said that human intervention was proportionate given the risk the payment presented. And while Halifax haven't been able to provide the call recordings, I have reviewed the transcripts and system notes. It appears that Halifax asked Mr S very

similar questions to the third-party firm, who also intervened by phone on a transaction Mr S attempted on 17 September 2024 (prior to this transaction). In both interventions, it appears Mr S didn't provide accurate answers to the question Halifax or the third party firm asked, which in turn denied Halifax the opportunity to identify the risk Mr S potentially faced.

I am satisfied that Mr S was adamant he wanted to make the payment. Mr S has told our service that the scammer was pressurising him and telling him to lie to the Banks. As such, even if Halifax had intervened in an earlier transactions in this way, I am not persuaded it would have unveiled the scam and essentially prevented the loss. Mr S was clearly under the spell and influence of the scammer and trusted him more than he did Halifax and was determined to make the transaction and I can't hold Halifax responsible for this. I've also looked at whether Halifax took the steps it should have once Mr S contacted it to dispute the payments. It's important to note that Mr S didn't ask Halifax to send the money directly to the alleged scammer but instead to a an account in his own name, under his control. Halifax did as Mr S requested. So, it was always highly unlikely that Halifax would be able to facilitate the recovery of the payment after they were moved on from Mr S account to the alleged scammers. So, it follows that I won't be asking Halifax to do anything further.

I note that Mr S has said that he wants £250 compensation for the distress and inconvenience caused and to cover his legal fees. Our service is free to use, and consumers can approach us without the use of legal representation. Whilst I don't dispute Mr S would have felt distressed and inconvenienced by the scam he fell victim to, I haven't seen any evidence to persuade me that Halifax should pay Mr S compensation as a result.

My final decision

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 S to accept or reject my decision before 24 October 2025.

Jade Rowe
Ombudsman