

The complaint

Mr C complains about the actions of Bank of Scotland plc trading as Halifax after he fell victim to a scam.

What happened

The background to this complaint is well known to the parties, so I'll simply summarise it here. Briefly, Mr C says he saw an advert on social media for an investment opportunity. Unfortunately, the investment ultimately turned out to be a scam, and I'll refer to "the scammers" in this decision, even though I appreciate that Mr C didn't realise that's what they were at the time.

Mr C understood from the advert that if he sent money to the scammers, they would invest it on his behalf and would then return the money to him after a week or so. He says the scammers never explained to him how profits would be made on the investment. And he says he was told to send the funds in a particular foreign currency for tax reasons.

Mr C made the following payments to the scam by debit card from his current account with Halifax:

	Date	Merchant	Amount
1	12 June 2024	L	£246.20
2	20 June 2024	M	£100
3	20 June 2024	L	£652.99 <i>(reversed)</i>
4	20 June 2024	L	£652.99 <i>(reversed)</i>
5	21 June 2024	R	£303.99
6	21 June 2024	R	£653.99
7	21 June 2024	R	£703.99
8	25 June 2024	P	£603.99
Total			£2,612.16

I've corrected some of the figures. Payments 3 and 4 were reversed, so aren't included in the total. During the period Mr C was making the payments from his Halifax account, he received credits associated with the scam totalling £2,450. Taking those adjustments into account, on the basis of the payments shown above, Mr C's overall loss from the payments he made from his account with Halifax was just over £162. This is a little more than the loss figure of £104 shown in the investigator's view, but it includes payment 8. Mr C hasn't told us he made that payment as part of the scam, but it looks similar to some of the other payments he made. If payment 8 wasn't, in fact, part of the scam, it looks as if Mr C received more into his Halifax account as a result of the scam than he paid out from the account. Either way, it doesn't affect my view as to whether the complaint should be upheld.

Halifax spoke to Mr C on 25 June 2024 about concerns it had regarding a credit of £1,000 into Mr C's account and some recent payments out of the account, which it commented were for quite high amounts. It then gave him 65 days' notice of its intention to close the account. Mr C withdrew the remaining credit balance in July 2024.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, he didn't think Halifax should have intervened when Mr C made the payments. And he thought it had acted in accordance with the account terms and conditions when it closed Mr C's account.

Mr C didn't agree with the investigator's view, so the complaint's been passed to me for a 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.

I was sorry to hear that Mr C fell victim to a scam, and I don't underestimate the impact that will have had on him. My role here is to decide whether I can fairly hold Halifax responsible for his loss, or require it to take any other action.

I'm aware that Mr C made payments to the scam from accounts at two other banks - one before, and one after the payments he made from his Halifax account. I've considered complaints against those banks separately. In this decision, I've only considered the payments Mr C made from his Halifax account, and whether Halifax missed an opportunity to prevent his loss.

Mr C authorised the payments. Halifax had an obligation to follow the payment instructions it received. This means that the starting point is that Mr C is presumed liable for his loss. But that's not the end of the story.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance, standards and codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Taking those things into account, I think that at the time the payments were made, Halifax should have been doing the following to help protect its customers from the possibility of financial harm:

- monitoring accounts and payments to counter various risks, including fraud and scams;
- keeping systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things) – especially given the increase in sophisticated fraud and scams in recent years, with which financial institutions are generally more familiar than the average customer;
- acting to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring that all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, regardless of the payment method used, taking additional steps, or making additional checks, before processing a payment, or, where appropriate, declining to make a payment altogether; and
- being mindful of - among other things – common scam scenarios, how fraudulent

practices were evolving (including, for example, the common use of multi-stage fraud by scammers) and the different risks these can present to consumers when deciding whether to intervene.

There's a balance to be struck. Banks have obligations to be alert to fraud and scams and to act in their customers' best interests. But they can't reasonably be involved in every transaction. And here, I don't think it was unreasonable for Halifax to process the payments as it did, without contacting Mr C or asking for further information from him.

Mr C had opened his account around a week before he made the first payment from it to the scam. So Halifax didn't have enough records to assess whether the payments were typical for Mr C. The payments weren't for such high amounts that I think Halifax ought to have been concerned about them based on their size alone. What's more, they were interspersed with significant credits to the account, and the overall pattern of transactions didn't bear enough common hallmarks of a scam that I think that Halifax ought to have been concerned, or intervened before processing the payments.

I've listened to the phone call between Halifax and Mr C on 25 June 2024. The call handler asked Mr C about the credit of £1,000 received into his account a few days before. Mr C said that it was for an item he'd sold, but he didn't have any records of the sale. The call handler also asked him about the payments he'd made to R (a money transfer service) on 21 June, and Mr C said that they were to friends and family overseas. I don't think it was unreasonable of Halifax not to question this further.

Halifax's call handler explained to Mr C that his account of what the £1,000 payment was for didn't match the sender's version of events. They said that Halifax had carried out a risk assessment, and the decision had been taken to close Mr C's accounts in 65 days' time. The call handler explained what this would mean, in practical terms, for payments in and out of the account during the notice period.

I'm satisfied that Halifax acted in accordance with the terms and conditions of Mr C's account when it closed it. In response to Mr C's complaint, Halifax outlined again in general terms why the decision had been taken. I hope that Mr C found the explanation helpful, but I can't require Halifax to do more.

Finally, I've thought about whether Halifax could have done more to recover Mr C's money. Mr C made the payments by debit card. There's a scheme called "chargeback" which deals with disputes between card issuers and merchants. Chargeback isn't an automatic right, and banks don't have to raise a claim where there isn't a reasonable prospect of success. In this case, some of the payments were made to Mr C's account at a legitimate transfer service, and the money was then sent on from there. So the transfer service provided the service it was meant to provide – the money was transferred to the intended recipient. In the circumstances, I'm satisfied that a chargeback claim would have been unlikely to have any reasonable prospect of success. And by the time Mr C told Halifax he'd been the victim of a scam, the money would almost certainly have been moved from the third-party accounts he sent the money to.

I know that Mr C will be disappointed with my decision, but for the reasons I've set out, I can't fairly uphold his complaint.

My final decision

My final decision is that I do not 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 2 January 2026.

Juliet Collins
Ombudsman