

The complaint

Mrs G complains about Bank of Scotland plc trading as 'Halifax'.

Mrs G says that she has fallen victim to a long running investment scam and would like Halifax to refund her losses in full.

What happened

Mrs G knew a person I will refer to as GH, and had first been introduced to him by an accountant in the 1990's.

GH was a regulated financial advisor until around 2010, when he explained to Mrs G that he had decided not to continue due to the fees associated with regulation. It appears that Mrs G was not aware that there were claims against GH and the firm he used to work for.

In around 2008, GH began advising Mrs G on investments, and by 2018 had introduced Mrs G to around nine or ten different investment opportunities, and Mrs G says that she believes she has lost around £250,000.

Mrs G complained to Halifax about what had happened. Halifax assessed her complaint and refunded her just under £10,000.

The refund Halifax provided was for faster payments that Mrs G made to GH which were covered under the Lending Standards Board's Contingency Reimbursement Model Code (The CRM Code). It declined to refund her the remainder of her losses as these were made by cheque which are not covered under the CRM Code. It also paid Mrs G £150 compensation for poor service she received when she attended a branch.

Mrs G was unhappy with this, so she brought her complaint to this Service.

Our Investigator looked into things but didn't think that Mrs G's complaint should be upheld. They explained that Halifax had refunded Mrs G the payments that were covered under the CRM Code, and while they thought that some of the cheque payments should have triggered an intervention from Halifax, they were not persuaded that this would have made a difference to Mrs G's losses.

Mrs G said that it would have made a difference as she would have sought advice from her son and asked for an Ombudsman to make a final decision. So, the complaint has been passed to me.

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 have decided not to uphold this complaint. I know this will be disappointing for Mrs G, and I understand why she would want to try and recoup the losses she has

suffered from her involvement with GH. But my role here is to decide if Halifax can fairly and reasonably be held responsible for these losses, and I am afraid that I don't think it can.

As our Investigator has explained, Halifax and other banks are expected to process a customer's payments a customer authorises it to make. There is no dispute here that Mrs G didn't authorise the payments she made to GH – so on the face of things, she is liable for the transactions she has authorised.

However, this isn't the end of the story – banks such as Halifax also have long standing responsibilities to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and 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.

The majority of Mrs G's payments were small – and so I wouldn't expect Halifax to have been concerned that Mrs G may have been at risk of financial harm or fraud. They were also made by cheque, which can be more difficult for a business to pick up on.

There were two larger cheque payments made in June 2018, which were for £16,000 and £14,000 – and I do think that Halifax should have got in touch with Mrs G for these transactions, to check that everything was ok.

I think that Halifax should have asked Mrs G what she was doing and why – and I don't doubt that Mrs G would have been honest and told Halifax that she was making a payment to an investment. I wouldn't expect Halifax to have interrogated her about the payments or provide any investment advice to her – but I think it would have asked her if she was happy with her advisor and she had completed checks on what she was doing.

By this point, Mrs G had known GH since the 1990's and was seemingly happy with the investments she had made so far – so I don't see any reason why she would have had any doubts about GH at the time and would have been happy to proceed. And I also don't think that Halifax would have had any concerns about what she had said either or been able to establish that a scam was taking place. It is now known that the police have been investigating GH, but this wouldn't have been apparent at the time. So, I don't think that Halifax missed an opportunity to uncover the scam.

I also don't think that there was any reason for Halifax to have contacted Mrs G after June 2018 either – as by this time payments to GH were regularly debiting her account, and this became usual for Mrs G.

I know that Mrs G says that had Halifax intervened, then she would have contacted her son and sought advice. She has explained that she lost her husband earlier in 2018 she was more vulnerable at the time and would have asked for her son's support and guidance in financial matters.

I am very sorry to hear of the loss of Mrs G's husband, and I do understand that she would have been under a lot of stress and upset at this time. But I am afraid that I cannot agree that this would have made a difference here. While I don't doubt that Mrs G's son would have looked into what Mrs G was doing if he was asked to do so, I can't agree that it was Halifax's responsibility to tell Mrs G that she ought to ask her son for advice before continuing.

As I have explained above, while I would expect Halifax to ask some questions, I wouldn't have expected them to tell Mrs G what to do – but simply ask her if she had done enough

checks and was happy with what she was doing. Mrs G had been investing with GH for a long time and clearly viewed him as a trusted person. He attended Mrs G's husband's funeral and had been known to her for 20 years by this point. So, I am not persuaded that Mrs G would have done anything differently. I also cannot discount that even if Mrs G's son had become involved that he would have been able to deduce that GH was not to be trusted either.

So, I am not persuaded that Halifax missed an opportunity to prevent any of Mrs G's losses and as it has already refunded in full all payments that are covered under the CRM Code, I am not directing it to do anything further.

Finally, I am aware that Halifax has paid Mrs G an additional £150 for the poor service it provided her when she attended a branch to obtain information about the cheques that she had sent, as it said it could have been more helpful. I think that this is a fair payment given the circumstances and I won't be recommending it to increase this.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 18 December 2025.

Claire Pugh
Ombudsman