

The complaint

Mr C complains that Bank of Scotland plc trading as Halifax ('Halifax') hasn't reimbursed the funds he lost when he says he fell victim to a scam.

What happened

In late 2024 Mr C instructed a professional representative to complain to Halifax about various scams he had sadly fallen victim to. The letter included a total loss across all scams, including one in respect of a company I'll call 'G' in this decision, and said that Halifax should have done more when out of character payments were made. Mr C made a faster payment to G of £10,000 in December 2017.

Halifax said it contacted Mr C's representative for more information but didn't receive everything it had asked for so was unable to complete an investigation.

Mr C was unhappy with Halifax's response and, through his representative, brought a complaint to this service.

The investigator who considered this complaint also requested more information about G. He noted that the only piece of evidence provided was a document on headed paper bearing the name of a different company – 'L' – which provided G's payment details. As no response was received, the investigator issued a view which didn't recommend Mr C's complaint be upheld. He said that Mr C hadn't evidenced that he lost funds as a result of a scam. Minimal information had been provided about G and although there was a suggestion that L was involved, he hadn't seen anything to explain their role or any communication between Mr C and L.

Mr C was unhappy with the investigator's findings and asked for a final decision. He said this service was placing an unreasonable burden on him, as it was common in investment scams for correspondence to be limited or irretrievable. Mr C went on to say that prior to the CRM Code coming into force, banks still had responsibilities to protect their customers.

The complaint was allocated to me to decide. I contacted Mr C's representative and said that I had only seen one piece of information in respect of G (the bank transfer details page). Turning to L, it was clear that many customers had been reimbursed through the FSCS and a government compensation scheme. But in any event, I didn't consider Mr C's payment to G to be out of character or that intervention would have made a difference. Mr C's representative confirmed Mr C hadn't been reimbursed and that the issue wasn't whether G was involved in wrongdoing, but whether Halifax should have done more when processing a payment to an investment firm that wasn't FCA authorised.

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 deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

So little evidence has been provided in this case that it's hard to know what happened. The only piece of evidence Mr C has provided refers to £10,000, 8% and a three-year term, and provides payment details for G. G is registered with the Financial Conduct Authority in respect of some activities and is still operating. So, although Mr C's representative says G operated a scam, I can't see this was the case. A court has ruled that L operated a Ponzi scheme.

Information in the public domain says that after L went into administration almost all eligible bondholders were compensated. So I can't be sure Mr C hasn't received compensation following his investment with L. It's also possible Mr C dealt with a clone of L, but with no evidence I can't fairly reach this conclusion.

But even if Mr C can demonstrate that he is the victim of a scam, I can't fairly require Halifax to compensate him.

The payment was made prior to the introduction of the Contingent Reimbursement Model Code (CRM Code) on 28 May 2019. The CRM Code can't be applied retrospectively, so it doesn't apply to this transaction.

In broad terms, the starting position at law is that a financial institution such as Halifax is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Taking into account the law, regulations, guidance, standards, codes, and industry practice I have referred to above, Halifax should have been on the look-out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things) though. And, in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

The payment Mr C made to G was broadly in line with his account activity as he had made two payments of £10,000 to different companies in March 2017. I don't have any information about whether Halifax intervened when the £10,000 payment to G was made or of the nature of any conversations if it did. In any event, I can't fairly require Halifax to reimburse Mr C solely on the basis I haven't seen any evidence that it intervened. I need to go on to consider what is most likely to have happened if Halifax had asked the kind of questions I think it should have at the time the payment was made. In deciding this point, I need to consider what was known about G/L at the time, rather than information that has subsequently come to light.

I'm not persuaded that Halifax would have had any concerns or that the payment would not have been made if Halifax had intervened. As I have been given so little evidence about what happened, it's difficult to know what Mr C would have said. But I haven't seen anything to suggest that Halifax ought reasonably to have had concerns about payments to G or that if Mr C had discussed L in 2017 Halifax ought to have recognised Mr C may be falling victim to a scam.

Overall, whilst I'm sorry to hear Mr C has lost funds, I can't fairly require Halifax to reimburse him.

My final decision

For the reasons stated, 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 12 February 2026.

Jay Hadfield

Ombudsman