

The complaint

Mr D complains that Bank of Scotland plc trading as Halifax should've advised him to pay a deposit for a new car by credit card rather than by bank transfer. He says it recommended he open a new current account to pay the deposit.

What happened

Mr D placed a £200 holding deposit by bank transfer from his new Halifax current account for a car he wished to buy. He was unable to purchase the car within the time period the deposit held it for, so he paid a further £800 deposit, again by bank transfer. The purchase of the car didn't go ahead. The car dealer refunded £400, leaving Mr D £600 out of pocket.

Mr D believes had he paid this by credit card, he would be able to recoup the entire deposit. He says Halifax should've advised him to do this and wants Halifax to help him get his deposit back. Mr D complained to Halifax.

Halifax treated the complaint as one about fraud occurring on his account. Halifax explained he'd made a payment to a genuine company in relation to a genuine transaction. It said that this wasn't a scam and was ultimately a dispute between Mr D and the car dealer so it couldn't refund the money.

Mr D didn't accept this and referred the complaint to us. Two of our Investigators have considered this complaint.

The first Investigator said they were satisfied that Mr D hadn't been a victim of a scam and that paying the deposit using a credit card wouldn't have resulted in Mr D receiving his full deposit back.

The second Investigator explained that they were satisfied Mr D had been told by Halifax that paying by bank transfer made it harder for it to get money back if there was a problem and recommended Mr D pay by credit or debit card, if possible.

Mr D disagreed. He said Halifax had advised him to open a current account in order to make the payment to the car dealer when it should've advised him to use his credit card. The complaint has now been passed to me to consider and make 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've listened to all the calls that Halifax has provided us that Mr D had with it leading up to the transfer of the deposit for the car. Mr D has said Halifax advised him to open a current account to make this transfer. However, the calls do not evidence this.

Mr D's credit card offered cashback. Mr D said during one of the calls he hadn't used the card for some time and queried when he'd receive the cashback. Halifax explained to him that he'd need to have a current account with it to receive the cashback, and this is the

reason it told him to open a basic current account.

At no point in the calls does Halifax advise Mr D to make the payment to the car dealer by bank transfer. In fact, it does the opposite. On more than one occasion, Halifax advised Mr D to use a debit or credit card to make the payment to the car dealer as it would be easier for the bank to get the money back if anything went wrong. Halifax also referred Mr D to its website for guidance on making large payments which would've explained in more detail the various protections involved in making different types of payments.

Halifax isn't required to tell Mr D the best and safest way to purchase a car as Mr D has suggested it should've. But it is required to give him enough information so he can decide how best to proceed. Based on this, I'm satisfied Mr D was given sufficient information by Halifax. But Mr D chose to go against the advice and pay by bank transfer.

Ultimately, Mr D paid a deposit to a genuine car dealer for a car that was for sale. The fact that he chose not to proceed with the purchase meant he lost part of his deposit. This is a dispute between Mr D and the car dealer. And something I cannot get involved in, nor would I expect Halifax to assist in this dispute. Halifax has advised that whilst it could've attempted a chargeback had the deposit been made by debit card, it was highly unlikely to be successful. And, despite Halifax recommending he pay in another manner, Mr D chose to pay by bank transfer. So, there's nothing further Halifax can do.

I understand why Mr D is disappointed that he's lost part of the deposit he paid. But this isn't the result of a mistake by Halifax.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 3 February 2026.

Rob Deadman
Ombudsman