

The complaint

Miss G has complained about Bank of Scotland plc trading as Halifax not refunding several payments she says she made and lost to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Miss G fell victim to a romance scam after sending £833.45 in July 2025, via another of her accounts, to the scammer. This was the second time Miss G had sent funds to this scammer, with the first funds having been refunded by Halifax. Miss G thinks because of her vulnerabilities she should be refunded again this time. She says the scammer exploited her, informing her of different situations which required her to send him money.

Halifax did not agree that it had acted incorrectly and so did not compensate Miss G. However, it did accept its service was not to its usual standards and offered £40 as a gesture of goodwill. Miss G was unhappy with this outcome and referred the complaint to us.

Our Investigator didn't uphold the complaint as, although he noted the impact this situation had on Miss G, such a payment wouldn't have been seen as concerning to Halifax. He did not consider the amount in isolation of sufficient other red flags to have triggered an intervention. He was also persuaded that ultimately, as Miss G continued speaking with the scammer, Halifax would not have been able to prevent her losing her funds. Our Investigator considered Miss G to reasonably have been aware of the risk of this being a scam – as this had previously been outlined to her. He also noted Halifax's award of £40 for its service failing, but did not consider any additional award was warranted. Miss G disagreed and requested a decision.

As our Investigator couldn't resolve the matter informally the case has 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'm 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'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.

I don't doubt Miss G has been the victim of a scam here – she has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean she is automatically entitled to recompense by Halifax. It would only be fair for me to

tell Halifax to reimburse Miss G for her loss (or a proportion of it) if: I thought Halifax reasonably ought to have prevented all (or some of) the payments Miss G made, or Halifax hindered the recovery of the payments Miss G made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Halifax treated Miss G fairly and reasonably in its dealings with her, when she made the payments and when she reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Miss G's complaint. I know this will come as a disappointment to her and so I will explain below why I've reached the decision I have.

I have kept in mind that Miss G made the payments herself and the starting position is that Halifax should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Miss G did not intend for her money to ultimately go to a scammer – but she did authorise these payments to take place. However, there are some situations when Halifax should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Halifax should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had 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). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

So, I've thought about whether the transaction should have highlighted to Halifax that Miss G might be at a heightened risk of financial harm due to fraud or a scam.

Having considered Miss G's payment I agree with our Investigator's findings. I am not persuaded that Halifax should have been concerned with it considering the amount Miss G was sending. It's not unusual for an account holder to use their account to complete a larger payment – especially to another account in their own name. The fact this was a high-valued payment for Miss G is not enough in isolation to suggest a scam was occurring. Ultimately, this singular payment did not have enough of the common characteristics to highlight a potential scam was occurring.

Although I've kept in mind Miss G had previously fallen victim to a scam, she appears to have been aware this was so and raised it with Halifax to be given a refund. Therefore, I do not think the fact that Miss G had fallen victim to a scam before means Halifax should automatically have realised she was now back in contact with the same scammer. As far as

Halifax would have been concerned in this instance, Miss G was aware this individual was a scammer that she would no longer be corresponding with.

I think it's important to highlight that there are many payments made by customers each day. It's not reasonable to expect Halifax to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers and not unnecessarily disrupting legitimate payment instructions.

I am sorry to hear about the vulnerable situation Miss G was in at the time of the scam and how the alleged scammers may well have used this to emotionally manipulate her. The repercussions such a cruel scam has had on Miss G is not something I have overlooked when reaching my decision. However, I have not seen a pattern emerge that would have highlighted to Halifax that Miss G's vulnerabilities may have been impairing her decision-making. I am empathetic towards her, but I do not consider her vulnerabilities, in isolation of any other clear indicators of a potential risk of financial harm, to be something that should have triggered further red flags for Halifax.

I also agree with our Investigator that it would not be reasonable to award any additional payment for the service given to Miss G. I've not noted any additional failings by Halifax which would require any further award above what it offered to Miss G prior to our involvement.

I'm very sorry to disappoint Miss G. However, I don't think Halifax should have prevented her making the payments. So, it wouldn't be reasonable for me to ask them to refund the payments she made.

The Contingent Reimbursement Model Code

Although Halifax has signed up to the Contingent Reimbursement Model Code, the payments Miss G made from her Halifax account aren't covered by the Code. This is because she used her bank card to make the payment, which isn't covered under the code. I cannot fairly and reasonably say that Halifax should have to refund payments under the Code when it doesn't apply here.

Recovery

The only action available would have been for Halifax to raise a chargeback. However, in this instance there would not have been reasonable prospects of success as the funds reached the correct destination and Miss G was ultimately given the expected service. In this instance, had she not sent the funds to the scammer they would still be within her control.

Therefore, Halifax could not have done anything further after Miss G alerted them and so I won't be asking it to do anything more.

My final decision

My final decision is I do not uphold this complaint against Bank of Scotland plc trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 13 February 2026.

Lawrence Keath

Ombudsman