

## **The complaint**

Mr M complains that Bank of Scotland plc, trading as Halifax, won't refund money he lost when he was a victim of a scam.

## **What happened**

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr M fell victim to a scam in September 2025. After his flight for a holiday was cancelled, he searched for the travel company's contact number online to receive a refund. Unfortunately, the telephone number he used wasn't genuine. The scammer's told him he had to pay a refundable fee. And, to do this, they directed Mr M to open an account with an international money transfer provider (which I'll refer to as 'Af'). Mr M then made a £1,000 payment to the scammers via his Af account. Mr M attempted another payment of £487, which Halifax stopped and asked him to contact them as part of their fraud checks. But, instead, Mr M made a £400 debit card payment to the scam via another money transfer provider.

Mr M notified Halifax of the scam. They refunded the £400 debit card payment, but they didn't refund the £1,000 transaction. Mr M complained, but Halifax's position remained the same – explaining that he sent the funds to an account in his own name before sending it to the scammer. And this wasn't covered by the Payment Systems Regulator (PSR) mandatory reimbursement rules. Halifax did however pay £25 compensation for service issues – as they acknowledged Mr M had to chase their fraud department for an explanation.

The matter was referred to the Financial Ombudsman. Our Investigator didn't think Halifax had to do anything further. He didn't think the £1,000 payment was unusual or suspicious in appearance enough to have prompted Halifax to intervene before processing it. Nor did he think Halifax could've done anything to recover the funds.

Mr M disagreed, and so the matter has been passed to me to decide.

## **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 sorry Mr M has been the victim of a scam. I understand why he'd do everything he can to try and recover the funds he lost. But I must consider if Halifax is responsible for it. Having done so, and while I know this won't be the outcome Mr M is hoping for, I don't think they are. I'll explain why.

As Halifax has said, this payment isn't covered by the PSR's mandatory reimbursement rules – as it was made to Mr M's own account, which is excluded. I've therefore considered whether it would otherwise be fair and reasonable to hold Halifax responsible for Mr M's loss.

It isn't disputed that Mr M authorised the payment from his Halifax account. Generally, consumers are liable for payments they authorise and Halifax are also expected to process authorised payment instructions without undue delay. However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, including the Consumer Duty, there are circumstances where it might be appropriate for Halifax to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

And so, I've considered whether the £1,000 payment instruction given by Mr M to Halifax was unusual enough to have expected additional checks to be carried out before it was processed. When considering this, I've kept in mind that banks process high volumes of transactions each day. And that there is a balance for Halifax to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate – as it wouldn't be practical for banks to carry out additional checks before processing every payment.

Mr M typically used his account for low value day to day transactions – mostly below £500. And so, this £1,000 payment was more than Mr M typically used his account for. That said, while not an insignificant amount, it is still relatively low value. It's also common for customers to make higher value payments on their account at times. So, I don't think the payment would've been seen as particularly high risk based on its value alone.

Mr M has argued that there was a heightened fraud risk due to the payment going to a money transfer provider, which are commonly used in scams. Although money transfer providers can be feature of scams, most transactions made to them are for legitimate purposes – as they can offer attractive services such as low-cost international money transfers. Because of this, I don't think Halifax had enough reason to suspect that a single £1,000 payment being made to Af might have been related to fraud or a scam – thereby putting Mr M at risk of financial harm.

I'm aware that Halifax did intervene by putting a stop on a subsequent payment. And so, Mr M considers Halifax should've similarly put in place safeguards for the £1,000 payment. While I've noted his views on this, I disagree. Halifax had more information available to them when the second payment was attempted – as multiple payments to a new payee, such as a money transfer provider, in a short period of time can be a potential indicator of a scam. But this wasn't present at the time of the £1,000 payment. And so, for the reasons I've explained, I don't think Halifax ought reasonably to have been concerned at that point. I think it was reasonable for Halifax to consider the payment was being made for legitimate purposes. It therefore follows that I think it was reasonable for Halifax to process the payment upon receiving Mr M's instruction.

I've also considered whether, on being alerted to the scam, Halifax could reasonably have done anything to recover Mr M's losses, but I don't think they could. This is because the funds had already been sent from Mr M's Af account to the scammers – and so, there wasn't any funds remaining. But if there were, they would've remained in Mr M's control anyway.

On a final note, I've considered the compensation Halifax paid. And I think £25 is a reasonable amount to recognise the impact on Mr M caused by Halifax not explaining why they weren't refunding the payment sooner. So, I'm not increasing it further.

I have a great deal of sympathy for Mr M as he is the innocent victim of a scam. I'm not trying to place any blame on him for what happened. But it would only be fair for me to direct Halifax to refund his loss if I thought they were responsible – and I'm not persuaded that this

was the case. For the above reasons, I think Halifax has acted fairly and so I'm not going to tell them to do anything further.

### **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 M to accept or reject my decision before 23 February 2026.

Daniel O'Dell  
**Ombudsman**