

## **The complaint**

Mr H is unhappy that Bank of Scotland Plc (trading as Halifax) didn't reimburse him after he told it he'd fallen victim to fraud.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat it all in detail here, but in summary I understand it to be as follows.

Mr H met someone through a friend, who he believed he had developed a romantic relationship with, I'll call this individual Miss B. Mr H met with Miss B regularly, and believed they would ultimately be moving in together. Between July and September 2024, he made a series of payments to Miss B, totalling over £37,000. He's said he believed these funds were largely to help Miss B with regaining custody of her children, but he's also referred to payments he made because Miss B was helping him with paperwork he needed to do. In addition, Mr H made a payment of £1,800 to a property company for rent on Miss B's behalf (because he believed he would also be moving into the property). Mr H has said Miss B told him he would be getting much of this money back, but this never happened, and ultimately Miss B ceased contact with him.

Mr H suspected he'd been the victim of a romance scam and reported the matter to Halifax, he also reported Miss B to the police. Halifax looked into things, but it didn't agree to reimburse him. It said that his claim wasn't covered by the Lending Standards Board's Contingent Reimbursement Model Code because it was a civil issue, rather than fraud. I understand the police investigation is ongoing, but no charges have been brought yet.

Unhappy with Halifax's response, Mr H brought his complaint to this service and one of our Investigators looked into things, but didn't uphold it. In summary, it was our Investigator's view that this was most likely a civil matter, so it wouldn't be fair for this service to ask Halifax to refund the money Mr H had said he'd lost.

Mr H disagreed with the Investigator's opinion and so the complaint has been passed on to me to consider and come to 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.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, that isn't the end of the story. Halifax was a signatory to the Lending Standards Board's Contingent Reimbursement Model Code ("the Code") at the time these payments were made. This code required firms to reimburse customers who have been the victim of authorised push payment ("APP") scams in all but a limited number of circumstances.

However, none of the requirements of the Code are applicable unless Mr H is the victim of a scam, rather than being in some other kind of dispute. The Code defines an APP scam as:

*“...where the Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”*

The question this case turns on then is whether the purposes for which Mr H made these transfers were, in fact, fraudulent. To reach a determination on that point, I need to consider the intentions of Miss B – in other words, did Miss B plan to deceive Mr H and take his money from the start?

I can't know for sure what was in Miss B's mind when she was taking money from Mr H. I have to look at the available evidence and infer what her intentions most likely were. Unless that evidence shows that it's more likely than not that Miss B intended to defraud Mr H, I can't make a finding that Mr H is a victim of fraud.

I've considered that point carefully and, having done so, I'm not persuaded that there's enough evidence to say that he was the victim of APP fraud, as defined in the Code. Mr H has confirmed that Miss B gave reasons as to why she needed money and that at least some of it was intended to be paid back, other payments he's said were made because Miss B was helping him with paperwork relating to benefits and his medical diagnosis. But there is a real lack of documentary evidence here regarding the specific purpose of any individual payment Mr H made. And without such evidence it's very difficult for us to say with any certainty that any particular payment, or the whole series of payments, was made for fraudulent purposes.

And it is inherently difficult for a bank or this Service to determine whether Mr H was deceived into a false relationship which was only for the purposes of taking money from him or whether it was a genuine relationship that broke down. I don't have the power to compel Miss B to provide me with evidence, or to cross-examine her or have her cross-examined to try and establish her true intentions.

So, while I can't discount the possibility that Miss B took advantage of Mr H's trust and saw him as vulnerable to financial exploitation, with the limited evidence I have seen, I feel it is equally possible that Mr B made these payments in the course of a normal relationship which ultimately broke down. Overall, I don't feel I've seen sufficient evidence to establish that Miss B fabricated the premise of the relationship in order to obtain money from Mr H. So, in the circumstances, I don't consider that the CRM Code applies here.

I'm mindful that the issue has been raised with the police, but that, at present, no charges have been brought against Miss B. It is, of course, possible that the situation may change and new material evidence may come to light about Miss B's actions and intentions that could affect the outcome here. However, I have to decide the case on the facts and information currently before me. And, currently, I'm not able to conclude there is convincing evidence that Mr H has been the victim of an authorised push payment scam.

If new material information does come to light, such as Miss B being charged with or convicted of a crime, at a later date, then Mr H can bring a new complaint to Halifax, who may consider it. But I'm satisfied, based on the available evidence that I have seen and been presented with by all parties, that this is reasonable to consider this as a civil dispute at this time.

I know that Mr H will be greatly frustrated by the outcome I've reached here. I want to make it clear that I can't categorically rule out that what happened to him was fraud. It's possible that it was, but I'm afraid the weight of the evidence doesn't support such a finding. I don't

say any of this to downplay or diminish what Mr H has been through and the emotional impact this has had on him. However, my role is limited to looking at the actions and inactions of the bank and, while I'm sorry to have to disappoint him, I'm satisfied Halifax's decision under the Code was correct.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 March 2026.

Sophie Mitchell  
**Ombudsman**