

## The complaint

Mr P complains that Bank of Scotland plc trading as Halifax ('Halifax') did not reimburse the funds he says he lost to a scam.

## What happened

In 2023 Mr P says he was recommended a bookmaker by a friend of his who had seen good offers and returns from the bookmaker. Mr P got in touch with the bookmaker through a well-known text messaging service and made the following payments from his Halifax account to accounts held by the bookmaker:

| Payment | Date             | Payee                    | Payment type          | Amount         |
|---------|------------------|--------------------------|-----------------------|----------------|
| 1       | 13 November 2023 | Bank account 1 held by P | Transfer              | £1,000         |
| 2       | 18 December 2023 | Bank account 1 held by P | Transfer              | £1,000         |
| 3       | 25 December 2025 | Bank account 1 held by P | Transfer              | £1,500         |
| 4       | 28 December 2025 | Bank account 1 held by P | Transfer              | £1,500         |
| 5       | 20 January 2024  | Bank account 1 held by P | Transfer              | £2,000         |
| 6       | 17 February 2024 | Bank account 2 held by P | Transfer              | £5,000         |
| 7       | 12 April 2024    | Bank account 2 held by P | Transfer              | £1,000         |
| 8       | 22 April 2024    | Bank account 1 held by S | Transfer              | £91            |
| 9       | 25 April 2024    | Bank account 1 held by S | Transfer              | £4,000         |
| 10      | 31 May 2024      | Bank account 1 held by S | Transfer              | £5,000         |
| 11      | 4 July 2024      | Bank account 2 held by S | Transfer              | £5,000         |
|         |                  |                          | <b>Total payments</b> | <b>£27,091</b> |

It's my understanding that Mr P would send money that would be held on account for him and he would then request bets which would be placed by the bookmaker.

Mr P would receive statements, showing his available balance, a "free bets" balance, the bets he'd placed and their results. For the most part, communication was via text message though Mr P has said he spoke with the owner of the business on the phone at least once.

Mr P first had concerns about the bookmaker in February 2024 after seeing a news article by a well-known and legitimate bookmaker. The article was about the bookmaker Mr P was using and said that it was unregulated, unlicensed and ultimately illegal. Mr P called Halifax to raise his concerns, particularly in relation to payment number six. Halifax told Mr P that it couldn't treat it as a scam at that point and suggested he raise it with Trading Standards.

Mr P said he spoke to the bookmaker and was told the issue was because its name was similar to the name of the legitimate bookmaker, so it was changing its name. Mr P continued to send payments to the bookmaker and believed it was still placing bets for him.

Mr P says he hadn't been successful with his bets until around May 2024 and by August 2024 he'd won around £30,000. He requested to withdraw his money and was told that it was being processed, but a couple of months passed and despite continuing to communicate with the bookmaker he still hadn't received his winnings. In October 2024 Mr P raised the matter again with Halifax.

Halifax told Mr P that it sounded like he had been the victim of a scam because it looked like the bookmaker was impersonating another legitimate bookmaker. Halifax told Mr P it would raise a scam claim and contact the banks that he'd sent his money to. Mr P brought his complaint to our service when he hadn't received an outcome from Halifax after several months.

When Halifax did send its response, it said that it should have registered his claim when he raised it in February 2024. It had reviewed the case under the provisions of the Contingent Reimbursement Model Code ('CRM Code'). Halifax decided that for the first six payments, Mr P could have done more to protect himself. But it also concluded that it could have done more to protect Mr P so it would refund him 50% of the first six payments he made, plus interest. Halifax said it wouldn't be reimbursing him the remaining payments because he had raised his concerns about the legitimacy of the bookmaker but still went ahead and made more payments despite his concerns. Halifax also paid Mr P £50 compensation for the inconvenience caused.

Mr P remained unhappy with the outcome and one of our Investigators considered the complaint and recommended that it be upheld in part. She said Mr P had a reasonable basis for belief when making the first six payments and should be refunded the other 50% of those payments, plus interest. However, she also said that Mr P did not have a reasonable basis for belief when making the remaining payments and didn't think Halifax could have otherwise stopped Mr P from making them.

Halifax agreed with the outcome and offered to pay the remaining 50% of payments one to six, along with interest. But Mr P didn't agree and gave his reasons why.

Because Mr P didn't agree with the outcome of our Investigator's assessment, the complaint has been passed to me to make a final decision.

I sent Mr P and Halifax a provisional decision on 2 February 2026 setting out why I intended to uphold the complaint. In my provisional decision I said the following:

*"It isn't in dispute that Mr P authorised the payments. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that Mr P is liable for the transactions. But he says he has been the victim of an authorised push payment (APP) scam.*

*Halifax was signed up to the voluntary CRM Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP scam, as set out in it, is met.*

*Halifax has accepted that Mr P has been the victim of an APP scam.*

Is Mr P entitled to reimbursement under the CRM Code?

Under the CRM Code, a Sending Firm (in this case Halifax) may choose not to reimburse a customer if it can establish that\*:

- ...The customer made the payment without having a reasonable basis for believing that:
  - the payee was the person the Customer was expecting to pay;
  - the payment was for genuine goods or services; and/or
  - the person or business with whom they transacted was legitimate.
- The customer ignored what the CRM Code refers to as an 'Effective Warning' by failing to take appropriate action in response to such an Effective Warning.

\*Further exceptions outlined in the CRM Code do not apply to this case.

When assessing whether it can establish these things, Halifax must consider whether they would have had a 'material effect on preventing the APP scam'.

*Reasonable basis for belief*

*Taking into account all of the circumstances of this case, I don't think Mr P had a reasonable basis for believing the payments were for genuine goods or services; and/or the person or business with whom he transacted was legitimate.*

*I consider there to have been enough warning signs that ought to have caused Mr P concern from the outset, which he does not appear to have reasonably acknowledged or acted upon. Mr P has said he is an experienced gambler and once held a bookmaker's licence himself. But it seems to me that Mr P took what he was being told by his friends and the bookmaker at face value.*

- *Mr P said he carried out due diligence before making his payments, by speaking to his friends and trusting their recommendations – though he didn't see proof of them being able to withdraw winnings. He told our service he thought it seemed reliable and perhaps accepted it for what it is. I accept that Mr P would have trusted his close friends' recommendations, but I don't think this is enough on its own for Mr P to be satisfied the bookmaker was offering a legitimate service.*
- *Mr P says he didn't know that he could have checked the Gambling Commission's website that lists licensed bookmakers. He has told us that under its original name, the bookmaker had no online presence. When the bookmaker changed its name, Mr P said he had seen a website (which appears to be for a legitimate online bookmaker with the same name). But when he spoke to Halifax in October 2024, Mr P confirmed that he didn't know there was a website and that as far as he knew it, there was no website or app, everything was done through a messaging service or the phone. Halifax also asked Mr P whether he'd looked up the names of the companies he'd been given, and he told Halifax that he hadn't because a friend had recommended them and had used them for years. With that in mind I'm not persuaded that Mr P took enough independent steps to reasonably persuade him that the bookmaker was genuine.*
- *When Mr P saw the article about the bookmaker being unlicensed and illegal, Mr P was concerned enough to call Halifax and reported the last payment he'd made. He said he wasn't reporting the earlier ones because he hadn't won anything but had thought the bookmaker was legal until he'd seen the article. Mr P told Halifax he*

*thought it would eventually lead to a police investigation. But Mr P continued to communicate with the bookmaker and was reassured that the problem was how close its name was to that of a legitimate bookmaker and that it would change its name to move forward. Mr P accepted this explanation, despite the article pointing to the bookmaker being unlicensed, unregulated and illegal. At this point Mr P was on notice, and had concerns himself, that the bookmaker wasn't operating legally. I haven't seen any evidence that suggests to me that Mr P was provided with evidence that reasonably would have led him to believe that the bookmaker was offering a legitimate service.*

- *When Mr P first tried to raise the scam with Halifax following the article about the bookmaker, it said it couldn't treat it as a scam, he felt Halifax endorsed the bookmaker's legitimacy. Mr P also says the fact the bookmaker had been able to setup other bank accounts meant that the other banks had done their due diligence. This helped persuade him to continue making payments to the bookmaker. I can't agree that Halifax endorsed the bookmaker. Halifax said it couldn't raise a scam claim, but they did not suggest the bookmaker was legitimate. Halifax suggested Mr P raise the matter with Trading Standards and that he could try and contact the bank that received his money directly in order to alert them to his concerns. It also suggested Mr P contact the legitimate bookmaker to see what other information they could give him about their investigation.*
- *Turning back to when Mr P was first setup with the bookmaker, he confirmed it didn't follow the normal checks that a bookmaker would usually make. Mr P said he was asked for his name and address, passport or driving license and bank details. Mr P said that was one of the selling points, that it wasn't carrying out the affordability checks that the government had brought in. Mr P said that it was a relief that the bookmaker didn't go through all these checks because they are quite intrusive but acknowledged it should have raised alarm bells with him. I appreciate Mr P's comments may well be with the benefit of hindsight, but considering his experience and knowledge of gambling, I do think this should have raised concerns with him to question the legitimacy of the bookmaker before making the payments.*
- *Mr P has kindly told us that he is a responsible gambler with around 50 years experience and has used 30 or more genuine bookmaker accounts over the years. So I think it's fair to say that Mr P knows how genuine bookmakers usually operate and the services they provide – including websites, phone apps and generally having an online presence. And while he was provided with statements when requested, he never had access to an account himself. Taking Mr P's prior experience and knowledge into account, I do think Mr P ought reasonably to have been concerned that purely communicating and placing bets via a messaging service was concerning and not in line with how legitimate bookmakers operate.*
- *Arguably the offer made by the bookmaker was too good to be true. Mr P has said they would match odds from other betting firms but would allow much higher stakes and allow Mr P to bet on more places on each way bets than other legitimate bookmakers. They would also match any bets placed as free bets. This was part of the appeal to Mr P as he was limited by the other companies he had accounts with at the time. I accept that it's common for bookmakers to match odds or provide offers*

*such as free bets or matching bets, but these are often limited to a certain value or for a limited period of time. So I do think what was on offer was too good to be true and should have caused Mr P concern.*

*Taking everything into account, I'm satisfied Mr P should've had reasonable cause for concern that things might not be as they seem at the time he made the payments from his Halifax account. But it doesn't appear that he made adequate enquiries into the legitimacy of*

*things or what he was being told. I do acknowledge that Mr P relied on what he was told by friends and by the bookmaker. But all things considered, I think there were sufficient red flags here that ought to have led Mr P to have acted more cautiously than he did.*

*So, I think Halifax can fairly rely on one of the exceptions to reimbursement – that Mr P made the payments without a reasonable basis for believing that the payments were for genuine goods or services and/or the person or business with whom he transacted with was legitimate.*

*Did Halifax meet its standards?*

*The CRM Code also sets out standards that firms are required to meet. Where these are not met, the firm may still be liable to reimburse a victim in part, even where it has been able to establish that an exception to full reimbursement may be fairly applied (as I am satisfied Halifax can establish here).*

*Those requirements include the provision of what the CRM Code defines as an ‘Effective Warning’ when a firm identifies an APP scam risk in relation to a payment. In short, the CRM Code said that where the firm identifies an APP scam risk it should take reasonable steps to provide their customer with ‘Effective Warnings’. It goes on to say that as a minimum, an Effective Warning should be understandable, clear, impactful, timely and specific. Halifax only need to provide an Effective Warning when it identifies APP scam risks during a payment journey.*

*I won’t focus on the first six payments because Halifax has already refunded 50% of those payments, which is the most I would have recommended had I found that Halifax was required to provide Effective Warnings but didn’t.*

*Based on what Halifax could reasonably have known at the time, I don’t consider any of the later payments would have particularly stood out as being at risk of being connected to a fraud or scam. I say this because, in the months before the disputed payments, Mr P often made transfers of similar amounts to other people and other betting companies.*

*In July 2023 there were seven outgoing payments to individuals that totalled £150,000 across five days – several were for £25,000. I appreciate these unrelated and undisputed payments were not usual for Mr P’s account. But taken with the volume and value of other transfers Mr P would usually make and the lack of any common scam patterns, I don’t think the payments Mr P made to the bookmaker looked unusual enough to Halifax to suggest he could be falling victim to an APP scam and therefore require an Effective Warning.*

*Even if I were to think differently on this point, and say it ought to have done so, I don’t consider that Halifax could reasonably have given a warning that would have likely made a difference in this specific instance - I don’t think this would have made a material difference to the success of the scam that took place.*

*Should Halifax have done anything else to prevent the loss?*

*Good industry practice requires that regulated firms such as Halifax engage in the monitoring of customer accounts and to be on the lookout for suspicious or out of character transactions with an aim of preventing fraud and protecting customers from financial harm.*

*As mentioned above, I don't think any of the payments Mr P is disputing would have looked suspicious or indicative of fraud when compared to Mr P's usual account activity and known indicators of fraud. With that in mind, I don't think Halifax should have intervened at the point of any of the payments and didn't miss an opportunity to prevent the scam.*

*I have considered Mr P's point that if Halifax had raised a scam claim in February 2024 when he first contacted it, the recipient accounts could have been frozen and he wouldn't have gone on to send more money to the bookmaker. I've listened to the call between Mr P and Halifax in February 2024. While Halifax could have asked more questions, I don't think it was unreasonable for it to decide that what had happened was a dispute between Mr P and the bookmaker at that time. The information Mr P had provided and that was available online at the time suggested that the bookmaker was unlicensed, unregulated and not legal. But that doesn't automatically mean it was a scam. It was only discovered to be a scam when Mr P raised the matter again in October 2024. By then the bookmaker had changed names and Halifax found a website for a legitimate bookmaker of the same name and so concluded that it was likely an impersonation scam. With that in mind, I don't think it was unreasonable that Halifax didn't take any action in February 2024. I also don't think Halifax ever gave Mr P the impression that he should continue to make payments to the bookmaker.*

#### Recovery of funds

*I've considered whether Halifax did what it could to recover the funds Mr P lost after he reported the matter to it. I can see Halifax did contact and attempt to recover the funds from the other banks that received his money. The evidence I've seen shows Halifax got in touch with the other banks during, or very shortly after, Mr P's call with Halifax on 25 October 2024. All the banks have since confirmed no funds were recovered. With this in mind, I'm satisfied Halifax did what it reasonably ought to have done to try and recover the funds when Mr P reported the scam in October 2024.*

*I understand Mr P feels that if Halifax had raised a claim in February 2024 it would have been able to freeze the bookmakers accounts. But I would only have expected Halifax to attempt to recover the funds if it thought a scam had occurred. As explained above, I don't think it was unreasonable that Halifax didn't raise a scam claim at that time. So I can't hold it liable to refund any losses that may or may not have been recoverable from the other banks in February 2024.*

#### Compensation

*Mr P says after he raised his claim in October 2024, he was given different information and felt passed from pillar to post by Halifax. Mr P didn't receive an outcome to his claim or final response to his complaint until May 2025, after he had brought his complaint to our service. Halifax paid £50 for the inconvenience caused.*

*Mr P has said he is looking for compensation from Halifax due to its negligence in not raising a scam claim when he first told Halifax about it, and for missing opportunities later on to recover his funds.*

*I've already explained above why I don't think Halifax was unreasonable in not taking further action in February 2024 and that it made reasonable attempts to recover Mr P's funds in October 2024. For the same reasons I've already explained, I am not recommending Halifax pay Mr P compensation for this.*

*But the CRM Code says the firm should give the customer an outcome no later than 35 days after the scam has been reported. Likewise, the CRM Code also says once a complaint has*

*been raised, the firm should resolve the complaint within a maximum of 35 days. Mr P raised the claim in October 2024. As I understand it, Halifax didn't provide Mr P with an outcome or a final response until May 2025. Halifax has already paid £50 compensation for the inconvenience. But having considered the delay, I think Mr P has been caused added stress and inconvenience and had to spend more time chasing Halifax for an answer that it should have given him far sooner. In recognition of the added trouble and upset caused, I think Halifax should pay Mr P a further £150 compensation, in addition to the £50 it has already paid. I think that's a fair and reasonable amount in the circumstances.*

### Summary

*I'm very sorry that Mr P has lost a lot of money because of a scam and I know how frustrating and stressful the whole situation has been for him.*

*But having considered everything very carefully, in my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.*

*I know this will be very disappointing to Mr P, but I can't fairly say Halifax should reimburse Mr P's remaining loss under the CRM Code or for any other reason.*

*Though as explained above, I do think Halifax should pay Mr P some more compensation for the delays in answering his claim and complaint.*

### **Putting things right**

*I'm provisionally minded to uphold this complaint and require Bank of Scotland plc trading as Halifax pay Mr P:*

- *a further £150 compensation for the trouble and upset caused by the delay in giving him an answer to his claim and his complaint."*

I said I'd consider anything further Mr P or Halifax submitted following the provisional decision.

### **Responses to my provisional decision**

Mr P responded to my provisional decision and confirmed he didn't accept it. Halifax didn't provide a response by the date given.

Mr P raised several points in response to my provisional decision. I won't list them all but in summary he has said that Halifax and the wider banking industry should have taken action when he first reported the bookmaker, and this would have prevented the bookmaker from being able to open new accounts and would have prevented Mr P from making further payments to it.

Mr P also disagrees that he didn't have a reasonable basis for believing his payments were going to a legitimate business. He has suggested that when the bookmaker changed its name, it used a similar name to a legitimate online bookmaker and that he was unaware at the time that he wasn't dealing with the legitimate bookmaker that was being impersonated. Mr P also feels that his prior experiences aren't relevant and that he should be protected by the CRM Code.

## 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 appreciate the time Mr P has spent in providing his response to my provisional decision and I appreciate he has questioned what more he could have done to uncover the scam.

I have carefully considered this additional information, but it doesn't change my decision. None of the information Mr P has provided in response to my provisional decision is new to me. I carefully considered Mr P's circumstances and actions when reaching my provisional decision. And for the same reasons I gave in my provisional decision, I think Halifax can fairly rely on one of the CRM Code's exceptions to reimbursement – that Mr P made the payments without a reasonable basis for believing the payments were for genuine goods or services and/or the person or business with whom he transacted with was legitimate.

When considering whether there is a reasonable basis for belief, the test isn't whether the victim should have realised they were being scammed. After all, no one would willingly send money to a scammer. But the broad consideration is, at the time of the payments, in the circumstances, was it reasonable for Mr P to believe he was making the payments to a legitimate business. And for the same reasons provided in my provisional decision, I think there were enough red flags about the bookmaker, both from the start and after it changed its name, that Mr P should have been more cautious before making his payments and should have done more to satisfy himself the bookmaker was legitimate.

Having considered all the evidence available to me, in summary, and in line with my provisional decision, the reasons I don't think Mr P had a reasonable basis for belief are:

- Mr P appears to have mostly relied on word of mouth and what the bookmaker told him without independently verifying the legitimacy of the bookmaker or seeing evidence that winnings were withdrawable.
- The evidence suggests Mr P knew the bookmaker had no online presence under its original name or after it changed its name. When he called Halifax to report the scam in October 2024 he told it that he hadn't looked up the names the bookmaker was using online and had trusted his friends. Mr P also told Halifax he was unaware of any website or phone app – suggesting he hadn't checked online or seen the legitimate betting company that had seemingly been impersonated after the bookmaker changed its name. So on balance, I'm not persuaded Mr P thought he was using the legitimate online bookmaker that had a similar name.
- Mr P was concerned enough after seeing an article that said the bookmaker was unlicensed and acting illegally that he reported it to Halifax. The evidence I've considered suggests that Mr P continued to correspond with the bookmaker and accepted its explanations for what happened and why it was changing its name and then continued to send money to it. The published article made it very clear that the bookmaker was unlicensed, unregulated and not operating legally. But I haven't seen anything that shows what Mr P was told by the bookmaker that reasonably could have persuaded him that it was acting legally and legitimately after the article was published. Aside from a new name and new accounts to pay, it seems the service Mr P believed he was paying for continued like it had before.
- Based on the evidence I've considered, I don't agree that Halifax in any way endorsed the bookmaker or told Mr P it was ok to continue making payments to it. Halifax suggested he report the matter to the bookmaker's bank, he could contact trading standards and could reach out to the legitimate bookmaker that had

uncovered the illegal activity to find out more about its investigation. I don't know if Mr P took any of these actions and I haven't seen any evidence he received any information from any party that would have reasonably led him to believe the bookmaker was acting legitimately after the article was published.

- When Mr P was first set up with the bookmaker, he was aware that it wasn't completing the strict checks a legitimate bookmaker would be legally obliged to carry out. Mr P acknowledged that this was a selling point for him due to the usual checks being quite invasive and he acknowledged it should have been a red flag to him. I haven't seen any evidence to suggest he asked for, or received, a plausible reason why the bookmaker didn't carry out the usual checks or why it didn't need to complete the required checks.
- I do think Mr P's prior experience is relevant here. From what he has told us, he is an experienced gambler and knows how genuine bookmakers usually operate and the services they provide – such as betting via website or app. The fact this bookmaker had no online presence, and all bets were done via a messaging service should have stood out as unusual to Mr P – particularly so after he'd seen the article about it acting illegally. I also think having previously held a bookmaker's license suggests Mr P would reasonably have been aware that bookmakers needed to be licensed and regulated. I haven't seen any evidence that shows that Mr P asked, or was provided with, any information about whether the bookmaker was licensed and/or regulated.
- The ongoing offer of matched free bets, higher stakes, matching odds and allowing more places to be bet on was too good to be true compared to legitimate bookmakers.

So for the same reasons as before, I think Mr P could have taken further steps, as outlined above, to satisfy himself that the bookmaker was legitimate before making the payments he made. And for the same reasons as outlined in my provisional decision I think Halifax can rely on the relevant exception to reimbursement under the CRM Code.

I've considered the points Mr P has raised regarding when he first reported the matter to Halifax. But again, for the same reasons given in my provisional decision, I don't think it was unreasonable that Halifax didn't raise a scam claim at the time. Mr P has also said that if a scam claim had been raised or followed up, the bookmaker would have been unable to open new accounts. But it doesn't automatically follow that reporting one business would prevent it from opening a new account – it could be opened using a different business name, different address with a different individual opening the account with no link to the original business. In any event, it's not for me to comment on the actions of any other banks within this decision.

I understand how disappointing this outcome is for Mr P. But having carefully considered all the points raised, for the reasons explained above and in my provisional decision, I still think the conclusion I set out in my provisional decision is fair and reasonable.

For the avoidance of doubt, I am not recommending Halifax reimburse any more of Mr P's losses than it already has.

However, I am upholding the complaint in respect of the delay in giving Mr P an answer to his claim and his complaint. For the same reasons explained in my provisional decision I am recommending Halifax pay more compensation on top of the £50 Mr P has already been paid.

### **Putting things right**

I uphold this complaint. Bank of Scotland plc trading as Halifax should pay Mr P:

- a further £150 compensation for the trouble and upset caused by the delay in giving him an answer to his claim and his complaint.

### **My final decision**

For the reasons given above, I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 March 2026.

Mike Southgate  
**Ombudsman**