

The complaint

Mr C is unhappy Bank of Scotland plc, trading as Halifax ('Halifax'), didn't reimburse him, in full, for the money he lost when he fell victim to an authorised push payment ('APP') purchase scam.

What happened

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

Mr C fell victim to a purchase scam. He made a payment for £110 which went to a fraudster with Mr C not receiving the goods he had paid for. Mr C reported the matter to Halifax who considered whether he was due any reimbursement under the Faster Payment Scheme and CHAPS – Reimbursement Rules ('Reimbursement Rules'). Halifax reimbursed Mr C but in doing so applied a claim excess of £100. So, it reimbursed Mr C £10.

Mr C complained to Halifax about the claim excess, but it didn't uphold his complaint. It considered it had applied the claim excess fairly and in accordance with the Reimbursement Rules.

Unhappy, Mr C referred the matter to our service. Our Investigator looked into the complaint and didn't recommend the complaint be upheld. In short, they considered Halifax were entitled to deduct a claim excess up to £100 under the Reimbursement Rules. They also didn't think Halifax could have prevented the loss and had acted within a timely manner reporting the matter to the beneficiary bank to try and recover any funds.

Mr C thinks it is unfair for Halifax to apply the claim excess. Mr C acknowledges the Reimbursement Rules permit banks to apply a claim excess, but does not believe they require its automatic application without a consideration of fairness in the individual circumstances of the case. Mr C says Halifax accepted he was the victim of a scam but did not explain why it was fair to hold him responsible for any portion of the loss beyond it citing the Reimbursement Rules.

As the matter hasn't been resolved, it's 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 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 focussed 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 haven't. 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

The Reimbursement Rules

The Reimbursement Rules, which came into force on 7 October 2024 and apply to all UK-based payment service providers (PSPs), put a requirement on firms to reimburse APP scam payments made via the Faster Payments Scheme (or CHAPS). However, where applicable, the Reimbursement Rules allow for a claim excess of up to £100 to be deducted by a PSP from the APP scam amount being reimbursed. And I note Halifax advised Mr C of the claim excess during the call when it was processing his APP scam claim.

I have natural sympathy for Mr C, in that he made a payment as part of a purchase scam, and that payment was for £110 – when there is a claim excess on any reimbursement up to £100 should a PSP choose to apply it. But, and importantly, Halifax is entitled to deduct a claim excess up to £100 should it choose to. If a consumer is deemed vulnerable, then a PSP cannot apply the claim excess, but I haven't seen anything to suggest that Mr C ought to have been deemed as a vulnerable consumer. And I can see Halifax explored this with Mr C during the reporting call. So that means Halifax was entitled to apply the claim excess. I can't say it has acted unfairly in applying the claim excess when the Reimbursement Rules allow for it to do so.

I appreciate Mr C is frustrated about the claim excess and that consideration should be applied to the individual circumstances of each case. But, and quite simply, the Reimbursement Rules allow for a claim excess of up to £100 to be applied. And Halifax, where applicable, will apply that claim excess – unless during its investigation into the scam claim it considers a customer meets the definition of vulnerable consumer. I am also mindful Halifax include information about the Reimbursement Rules on its website, and it advises it would apply the claim excess where applicable.

Was there anything else Halifax could have done to either prevent or recover Mr C's loss?

I wouldn't have expected Halifax to have carried out any additional checks on the payment Mr C made given the amount of the payment. So, I don't think Halifax could have prevented Mr C's loss.

I can also see that Halifax, upon being notified of the scam by Mr C, acted in a timely manner in reaching out to the beneficiary bank (the bank where Mr C's funds had been sent to) to see if any funds could be recovered, so I can't fairly say Halifax could have done anything more here.

Summary

Overall, the Reimbursement Rules provides protection and reimbursement to consumers who have been the victim of APP scams – but they do also allow for a claim excess to be deducted by a PSP. If Mr C had made a payment to an APP scam for less than £100, Halifax wouldn't have been required to reimburse him under the Reimbursement Rules. And had Mr C made a higher payment amount, Halifax could still apply the claim excess that it is entitled to apply. It is undoubtedly frustrating for Mr C that he made a payment, as a part of a scam, that was just over the claim excess amount of £100. So, I can understand his disappointment as he was the victim of a scam and only received £10 as reimbursement. But ultimately, I can't say Halifax acted unfairly in applying the excess amount to his claim when the Reimbursement Rules has provisions that allows it to do so.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 May 2026.

Matthew Horner
Ombudsman