

The complaint

Mrs K complains that Bank of Scotland plc trading as Halifax ('Halifax') hasn't refunded the money she believes she lost to an authorised push payment ('APP') scam.

Mrs K referred her complaint to this service with the help of a professional representative. However, for ease of reading, I'll refer only to Mrs K throughout my decision.

What happened

The circumstances of the complaint are well-known to both parties. So, I don't intend to set these out in detail here. However, I'll provide a brief summary of what's happened.

In February 2018, Mrs K entered into an unregulated investment with a company, which I'll refer to as 'D'. She agreed to purchase a single share in D for £1 and she also entered into a loan agreement with D for £15,000. She was expecting to receive 3% interest each month thereafter. Mrs K subsequently sent £15,001, via two payments, to one of D's directors.

Mrs K had been receiving her interest payment every month and so she decided to invest another £10,000 with D in June 2019. She received some further payments from D, but these stopped in October 2021. In November 2023, D entered compulsory liquidation, leaving Mrs K with a loss of £18,140.

Believing she'd fallen victim to an APP scam, Mrs K raised a complaint with Halifax in February 2025 and asked it to reimburse her loss. Halifax didn't uphold the complaint. Halifax said Mrs K's loss resulted from a genuine investment that ultimately failed and it considered that this meant it wasn't responsible for reimbursing her loss.

Unhappy with Halifax's response, Mrs K referred her complaint to this service. Our Investigator considered the complaint but didn't think Halifax had done anything wrong. In summary they said they weren't persuaded Mrs K had been scammed, which meant Halifax wasn't responsible for Mrs K's loss.

Mrs K didn't accept our Investigator's opinion. As an informal agreement couldn't be reached, the complaint 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.

Firms, like Halifax, aren't responsible for every APP which ultimately resulted in a loss for the customer. For me to consider whether Halifax ought to have reimbursed Mrs K, I'd first need to be satisfied that Mrs K has, more likely than not, been the victim of an APP scam. This requires convincing evidence to demonstrate Mrs K was dishonestly deceived about the very purpose of the payments she made – i.e., that they were criminally obtained.

I'm very aware that D is in compulsory liquidation and the Official Receiver's investigation is ongoing. I'm also aware that the police have made enquiries into D's activities. To date, no conclusions have been reached as to whether D intended to scam its investors (like Mrs K) or not and, as a result, no charges have been brought either. So, I've considered the available evidence to decide whether I'm persuaded Mrs K was, most likely, the victim of a scam.

Mrs K's loan agreement with D doesn't specify how her funds were to be used. And, Mrs K hasn't provided any testimony about how she was led to believe D would use her funds. However, it's accepted that D purported to be an investment opportunity and that D would invest Mrs K's funds and in return it would pay her a guaranteed amount each month.

Mrs K says that D has been widely accepted as a scam. She's also said that no meaningful service was received in exchange for lending funds to D. However, I've been provided with no evidence to support those statements and the evidence I've seen doesn't indicate that's the case. I accept it's possible that D acted fraudulently, but an unsubstantiated allegation isn't sufficient for me to reach a conclusion that D was, more likely than not, an APP scam.

I haven't been provided with any evidence to suggest that D didn't use Mrs K's funds for investment purposes. I note that she did, for a time, receive returns as expected. However, these stopped, resulting in a loss to Mrs K.

The returns stopping could indicate that D was a scam and earlier returns were paid to Mrs K (and other investors) to give the impression that D was a genuine and successful investment opportunity to encourage further investment for the benefit of those operating D. However, it could also indicate that D's investment choices weren't successful, resulting in the company being unable to meet its contractual obligations or return funds to its investors.

I'm aware that Mrs K hasn't received her money back and that D is in compulsory liquidation, which could indicate wrongdoing by D's directors. But it's currently unclear what the underlying cause of D failing is. It could be because D was a scam. It could also be due to financial mismanagement; negligence; or unsuccessful (but legitimate) investment activity. The evidence seen to date is inconclusive and, as a result, I can't say that it is more likely than not that Mrs K has been the victim of an APP scam.

Mrs K's payments to D's director were large in value and this wasn't typical behaviour for her. I've seen nothing to suggest that Halifax sought to question Mrs K about the reasons for the payments, which I'd have expected in the circumstances. However, as I'm not satisfied D was, more likely than not, a scam, I can't fairly ask Halifax to reimburse Mrs K because of any potential failings when the payments were made.

Mrs K has lost a substantial amount of money, and I have natural sympathy for her. However, I'm not satisfied that D was, more likely than not, an APP scam. This means that I can't hold Halifax responsible for Mrs K's loss.

It's possible that material new evidence will come to light in the future which suggests that D took Mrs K's funds with dishonest intent. If this happens, Mrs K may ask Halifax to reconsider her claim.

My final decision

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 30 April 2026.

Liam Davies
Ombudsman