

The complaint

Miss C complains that Bank of Scotland plc trading as Halifax hasn't refunded payments she made by mistake.

What happened

In September and October 2024, Miss C made two on-line payments to a third party for £100 and £390 respectively by mistake.

When Miss C became aware of the mistake, she C contacted Halifax to ask it to get the money back. Halifax contacted the recipient bank – on a best endeavours basis, but it was unable to recover the money.

Unhappy that the payments hadn't been returned to her, Miss C referred her complaint to this service. One of our investigators looked into what had happened. But she didn't think Halifax had done anything wrong, so she didn't uphold the complaint.

Miss C didn't accept this outcome. She said:

- The investigator had focused on whether Halifax had made a technical error rather than considering if Halifax had acted fairly and reasonably given her vulnerabilities.
- When she made the payments, she was affected by prescribed medication and was under stress.
- The account which had been credited belonged to a dissolved business.
- Halifax could have done more to get her money back.

The investigator responded acknowledging that Miss C had made the payments at what was a difficult time for her. But she didn't think what Miss C had said changed the outcome she had reached.

Miss C asked for her complaint to be escalated to an Ombudsman, so it's been passed to me to reach 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.

Whilst I have only summarised the circumstances of this complaint, I want to reassure Miss C that I have read and considered everything she has said and provided including her most recent correspondence. But to uphold this complaint I would need to find that Halifax has done something wrong or treated Miss C unfairly, and I don't think it did. I know Miss C will be disappointed as I can see she feels strongly about this matter. So, I'll explain why.

I'm sorry to hear what Miss C has told us about her vulnerabilities, but I think it's important to set out here that the payment Miss C made was initiated by on-line banking. And on-line

banking payments are set up directly by the account holder. Meaning there is no 'human' involvement from Halifax in this process and the payments in this case were made using the beneficiary details input by Miss C. Although, I accept that when Miss C made the payments by mistake – in the sense she didn't know at the time that the business she was paying had ceased trading.

When an account holder makes a payment by mistake to the wrong person, I'd expect the account holding bank - in this case Halifax, to help the account holder recover the payment. But there is a limit to what Halifax is expected to do and the action taken is done on a 'best endeavours' basis. This means I'd expect Halifax to contact the receiving bank about the situation. But there is no guarantee that the funds will be returned.

And here, it's not in dispute that Halifax contacted the recipient bank, but the recipient bank didn't return the money to Halifax. Miss C has told us that the account where the funds went was only open as there was an outstanding debt. So, I think this is most likely the reason the recipient bank didn't return the money to Halifax. But that isn't something I can hold Halifax responsible for.

When the funds aren't returned in this situation – generally, I'd expect Halifax to have provided Miss C with the details of the account holder who received the money (having obtained them from the recipient bank). This would enable her to pursue the matter with the person that had received the money. But from what Miss C has said it seems she is already aware of who the business owner is and they have already been in contact with each other.

I appreciate that because the recipient bank didn't return the payments, Miss C has lost out by £490. But I can't say that this is a result of anything Halifax did wrong. I'm satisfied Miss C authorised the payments and Halifax processed them correctly using details she had given. And it tried to help recover the funds on Miss C's behalf. So, I find Halifax has treated Miss C fairly. It follows that I won't be telling Halifax to refund Miss C with £490.

My final decision

Given the above, my final decision is that I don't uphold Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 18 May 2026.

Sandra Greene
Ombudsman