

The complaint

Mrs Y complains that Bank of Scotland Plc trading as Halifax won't refund the money she lost to a scam.

Mrs Y has used a representative to bring her complaint, but for ease of reading, I'll mostly just refer to Mrs Y herself.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only share a brief overview of some of the key events here. In 2018 Mrs Y was sadly the victim of a scam. She sent two online payments from her Halifax account to what turned out to be a scam. The payments were £500 on 10 September 2018 and £2,950 the following day.

At the time she believed this was a deposit and the balance of an invoice to purchase a car that she'd found online. She believed she was dealing with a legitimate company and that the car was to be delivered. Shortly after the payments, Mrs Y realised this might have been a scam and she reported this to Halifax. Halifax investigated and ultimately said they wouldn't provide a refund and hadn't been able to recover any money from the recipient bank.

In 2022, with the help of the representative, Mrs Y complained to Halifax. And when Halifax maintained their position, the complaint was referred to our service. One of our Investigators didn't recommend that it should be upheld. In summary she didn't think Halifax ought to have done more at the time of the payments or that they'd failed to do all they should to attempt recovery. Mrs Y disagreed and has asked for an Ombudsman to consider her complaint.

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.

Having done so, there isn't a great deal I can add to what our Investigator has already explained.

Halifax's first obligation is to follow the payment instructions Mrs Y provides. And there is a balance to be struck between stopping and checking payments that present an increased risk and allowing customers free access to their own funds. In this case, I don't think that threshold was breached where Halifax should have done more. The second payment was for more than Mrs Y typically sent month on month. But it isn't unusual for customers to make larger payments from time to time for one off costs or purchases.

Overall, I don't consider the two payments Mrs Y made towards the scam (either individually or collectively) to be so unusual or suspicious that I think it's reasonable to expect Halifax to

have done more before following the instructions Mrs Y provided at the time. So, I don't think the loss was preventable in that way.

I'm also satisfied that Halifax acted appropriately and promptly upon receipt of the notification of fraud from Mrs Y. It's unfortunate this didn't result in a recovery from the recipient bank. Sadly, it's a feature of these scams that funds are typically moved on almost instantly from such accounts to frustrate attempts at recovery.

I'm sorry to hear Mrs Y was the victim of a scam and that she lost a significant sum. But as I don't think there were any failures by Halifax which caused or contributed to the loss, or hindered its recovery, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined 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 Y to accept or reject my decision before 21 September 2023.

Richard Annandale
Ombudsman