

The complaint

Ms M is unhappy with the service Bank of Scotland plc trading as Halifax provided after she was a victim of an authorised push payment (APP) scam.

What happened

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my 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.

Having done so, I agree with the investigator's findings for broadly the same reasons. I will explain why.

- It's not in dispute that Ms M authorised the disputed payment in question. On 18 January 2023 Ms M paid £1,411 using her debit card, to the scammer for airline tickets to India. She then logged into her online banking application to validate the payment.
- While I accept that Ms M didn't intend for her money to go to the fraudsters, under the Payment Service Regulations 2017 (PSRs) Ms M is presumed liable for the loss in the first instance as the payments were authorised by her. This is unless there is sufficient evidence that Halifax should fairly and reasonably have done more to protect Ms M.
- Halifax does have a responsibility to monitor accounts and payments, and one of the reasons for this is to prevent fraud and scams. Halifax needs to have systems in place to look out for unusual transactions or other signs that might indicate its consumers are at risk of fraud. With that in mind, I've considered whether Halifax should have considered the payment as being sufficiently unusual or uncharacteristic that it ought to have given it sufficient grounds for suspecting fraud.
- While I accept that the amount of money Ms M sent is clearly significant to her, this doesn't in itself suggest a heightened risk of fraud. I also acknowledge that the transactions were larger than usual for the account. But I am not persuaded this would have stood out as unusual or suspicious. Ms M sent made the payment by debit card and then authorized the payments on her online banking application.
- It's important to note that there is a difficult balance to be struck between firms identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. Of course, we need to consider that spending habits change, unusual needs arise, and it will be impossible to prevent all fraud without a significant number of genuine payments being delayed considerably and inconveniently.
- Bearing this in mind, I'm satisfied it wouldn't be reasonable to expect Halifax's systems to have been triggered by the payment in dispute. I don't think Halifax could reasonably have known that these payments were subject of a scam. The payments were not significant enough to have triggered its systems; nor were there sufficient

- grounds to justify delaying the payments.
- I have gone on to consider if Halifax took reasonable steps to try and recover the funds. It raised a chargeback claim when Ms M made it aware of the circumstances. But the chargeback request was declined as the company stated it did provide a service and it couldn't be considered as fraud under this scheme as Ms M had authorised the payment herself. As such, I am satisfied Halifax couldn't do anything further.

My final decision

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 M to accept or reject my decision before 30 November 2023.

Jade Rowe
Ombudsman