

## **The complaint**

Mr M complains that Bank of Scotland plc (trading as “Halifax”) has failed to refund over £59,000 he lost as part of an employment scam.

The details of this complaint are well known to both parties, so I won’t repeat everything 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 conclusions reached by the investigator for the following reasons:

- It isn’t in dispute that Mr M authorised the disputed payments he made to the scammer (either via faster payment or debit card) from his Halifax account. The payments were requested by him using his legitimate security credentials, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- Halifax dispute whether the alleged scammer “ForgeRock” was indeed operating a scam in this instance, as it considers the matter to be a civil dispute. All the evidence would suggest Mr M has fallen victim to an employment-task related scam here. But even accepting this as the case, I still don’t think Halifax would be liable to refund any of the money Mr M has lost.
- In terms of the initial faster payments Mr M made to the accounts of private individuals, I don’t consider Halifax has acted unfairly by refusing to refund these under the Contingent Reimbursement Model (“CRM Code”). I’m not satisfied he had a reasonable basis for believing the payments to be genuine as he thought he was transferring money as part of an employment arrangement, yet hasn’t been able to provide any documentation or contracts of employment. It should have also been cause for concern that he was being asked to pay money as part of his job, rather than receiving it for the work he carried out. I also don’t think Halifax failed to meet its obligations under the Code either as I’m not persuaded it would’ve been required to provide Mr M with an effective warning, given the payments were all of relatively low value. Therefore, Halifax was under no obligation to consider refunding these payments under the Code given that both exceptions to reimbursement apply.
- With regards to the remaining debit card payments not covered by the Code, it’s not in dispute that some of the payments were unusual given they did trigger the bank’s fraud prevention systems and led to Halifax speaking to Mr M. Accordingly, it’s just a question of whether the bank went far enough in all the circumstances with its interventions.
- Halifax warned Mr M that there was a strong chance he was being scammed when it spoke to him over the phone on 4 December 2022. However, despite having understood

this, he did not want to report it as a scam. Halifax then spoke to Mr M again the following day, where he then said he was trying to buy USD. He didn't explain that he was making the payment as a result of an employment opportunity. He also said that no third party was involved, and that no one had asked him to move money onwards from his Binance account, despite this being untrue. So, even if Halifax could have gone further with its intervention, it seems unlikely that Mr M would have been upfront about what he was doing. And given he had already ignored a scam warning from his bank, I'm not satisfied that any further warning would have ultimately prevented him from making further payments. As a result, I do not think Halifax can fairly be held liable for his loss.

- I've also considered whether Halifax did enough to try and recover the funds after the fraud was reported. However, there wouldn't have been any successful prospect of a chargeback for the debit card payments made to Binance, as Mr M would have received the services he paid for. In terms of the faster payments, while I think Halifax should have sought to recover these payments when Mr M disputed the transactions, I don't think it would have likely had any success in doing so, given the time that had passed between the money being transferred and the fraud being reported. Therefore, I'm not persuaded it could have reasonably done anything more to recover his funds in these circumstances.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 September 2023.

Jack Ferris  
**Ombudsman**