

## **complaint**

Mrs T is unhappy with the way Bank of Scotland Plc trading as Halifax handled the recovery of her funds when she reported a scam. Mrs T says because she was misinformed the bank should refund the payments she made to the builder.

## **background**

Mrs T says she arranged for some building work at her home. She met with a builder who agreed to do the work. She said he asked for upfront payments for the materials. Mrs T made five faster payments between 25 July and 19 August 2016, from her account, totalling £3,172.

Mrs T then became concerned about the lack of contact from the builder and contacted Halifax to see if her money could be recovered. Mrs T was advised a scam complaint could be raised and Halifax contacted the beneficiary bank to see if the funds could be recovered. The beneficiary bank contacted the recipient of the funds (the builder) following the request to return the funds. Mrs T was unhappy with this. She feels Halifax didn't tell her it would do this, and she was of the understanding that this would be a completely anonymous request, whilst the beneficiary bank checked to see if there were any funds available. She thought she would be advised again before any further action would be taken.

Mrs T says as a result of the beneficiary bank querying the payments with the builder, she received threatening calls from him and was told the work wouldn't be completed. Mrs T says had she known the builder would be contacted she wouldn't have taken this course of action.

Mrs T says the matter was reported to the Police and the builder has since been charged. The court awarded £1,000 compensation to Mrs T to be paid by the builder. Mrs T feels she might have been able to resolve matters with the builder if she had been informed of the consequences of Halifax attempting to recover the funds.

Mrs T has said this has caused her a great deal of stress and she would like to be reimbursed for her losses and she was misinformed by Halifax.

Halifax wrote to Mrs T to say it was sorry she had been the victim of this scam. But as she willingly made the payments and Halifax made no error in completing them it wouldn't be refunding her. Halifax also said the steps it took contact the beneficiary bank and that was the only action it could take if Mrs T wanted to recover her money. Halifax said it had no control over the beneficiary banks' actions after it initiated the request to recover Mrs T's funds.

Halifax has provided the call where Mrs T first reported the matter. I've provided a summary of this below.

*Mrs T explains that she had paid a builder up front for materials but since making the payments she hadn't been able to contact him, and he had disappeared. She asked, "is there anything we can do with trying to get some of our money back?". The bank advisor explains that a "scam case" can be logged.*

*Mrs T explains she made five payments and provides details of these. The bank advisor asks if Mrs T can provide as much information as possible about what happened.*

*Mrs T says the builder was recommended by a family member who knew the builder. The builder provided a quote that she was happy with. The builder asked for money up-front to cover costs for materials. Mrs T says they were messed around a few times saying the builder was coming out but then he didn't turn up. And she says she now didn't know where the builder was. Mrs T goes on to explain the builder had done some work, but she hadn't seen any of the kitchen she paid for and hadn't been able to contact the builder.*

*Mrs T says she had told the builder that she would contact the police and bank if he didn't get in touch with her.*

*The bank advisor says that all the information provided will be passed to the relevant team and they will be in touch with Mrs T within 48 hours with the next steps. The advisor says they (the relevant team) will get in touch with the beneficiary bank to see if any funds remain and if there is, they will try to get that back, but this isn't guaranteed. Mrs T asks if there is money in the builder's bank account if she will be contacted again. The advisor says they will be in contact within the next 48 hours with the following steps.*

### **our initial findings**

One of our investigators looked into the matter. She thought Halifax didn't make any errors in allowing the payments to leave Mrs T's account. She also said she had listened to the call between Mrs T and Halifax, she felt it was made clear the beneficiary bank would be contacted to attempt to recover the funds. She concluded the actions of the beneficiary bank and recipient were not Halifax's responsibility. So, she didn't think Halifax needed to make a refund here or pay any compensation as a result of its actions.

Mrs T disagreed. In summary she felt Halifax should have been proactive in educating her about adopting this method of payment and that it didn't offer any form of protection. Mrs T says if she had known this, she would never have made these payments. She felt Halifax's complaint handling was terrible and they didn't respond to several of her concerns.

As Mrs T didn't agree with the investigator's findings, she requested her complaint be reviewed by an ombudsman, and so the complaint has been passed to me.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having considered everything, I've come to same conclusion as the investigator for largely the same reasons. I'll explain why.

Mrs T doesn't dispute authorising the payments in the first instance and Halifax had an obligation to follow her instructions in line with the mandate it held on the account. Having considered the circumstances of the payments I'm persuaded Halifax acted correctly in executing Mrs T's payments to her builder as she initially instructed.

#### *the call between Mrs T and Halifax*

Mrs T says she was misinformed by Halifax. So, I've gone on to consider the call where Mrs T reported the matter to Halifax and asked if her money could be recovered.

Having listened to this call carefully it's clear Mrs T is asking if her money can be recovered. And I'm persuaded Mrs T was told the beneficiary bank would be contacted.

I agree Mrs T wasn't told the recipient (the builder) would be contacted but I think this was likely given Mrs T was raising a scam complaint and ultimately was looking to claim back her money from the builder. If that wasn't what she wanted, then I'm not sure what the point of her enquiry was. If the money had been reclaimed, then it would have been apparent that it was Mrs T that had been the one to reclaim them.

Whilst Mrs T might not have fully appreciated the consequences of this at the time. I don't think it would be for Halifax to explain what the beneficiary bank would do once contacted. If Mrs T had concerns about the builder knowing about her enquiry, I would've expected her to raise this in the call with Halifax, which she didn't. This shows me the builder's reaction was an unforeseen consequence rather than something Mrs T had at the forefront of her mind when making the request to recover her funds. She wanted Halifax to help recover her money it took steps to do this on her behalf.

I think that Mrs T's frustrations now are with the benefit of hindsight rather than being a concern she had at the time she made the initial enquiry with Halifax. And I think Mrs T would have taken the same action regardless of Halifax's actions. This is evidenced by her saying she had exhausted all attempts to contact the builder and had already told him she was contacting the bank and Police, before she called Halifax. So, I think Mrs T was willing to take matters further and she did. As such, I don't think it would be fair or reasonable in the circumstances for Halifax to refund her losses because of the conversation it had with her about how it would try to recover her funds.

I have considered Mrs T's comment that the bank should have educated her that the method of payment she used (faster payment) didn't offer her any protections. But even if Mrs T had been told about the various protections that certain payment methods may or may not attract, I've not seen anything that would persuade me Mrs T would've acted differently. The builder may not have accepted another form of payment and if so, I haven't seen anything to persuade me that she would've done something different as a result of that, for example use a different builder. Again, I think that with the benefit of hindsight Mrs T has had a difficult time dealing with the events that followed this. But that doesn't mean Halifax is responsible for her losses.

### **my final decision**

For the reasons I've given above, I don't uphold Mrs T's complaint against Bank of Scotland Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 3 January 2020.

Sophia Smith  
**ombudsman**