

## **The complaint**

Miss S has complained that Bank of Scotland plc (trading as Halifax) won't refund the money she lost after falling victim to a scam.

## **What happened**

In 2020, Miss S was contacted on social media, and was persuaded to invest into a cryptocurrency mining scheme. However, this was actually a scam. The scammers persuaded Miss S to send them over £12,000 over the course of several months. Miss S did this by making card payments or transfers from her Halifax account to her account at a crypto exchange, then sending the crypto onto the scammers. In the end, Halifax intervened and stopped Miss S from paying the scammers anything more.

In 2023, Miss S complained. Halifax didn't think they were liable for Miss S's loss, and it wasn't possible for them to recover the money.

Our Investigator looked into things independently and didn't uphold the complaint. Miss S asked for an ombudsman's review, so the complaint's been passed to me to decide.

## **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.

I understand that Miss S fell victim to a scam, and so she has my sympathy. I appreciate this can't have been an easy time for her, and I appreciate why she wants her money to be returned. It's worth keeping in mind that it's the scammers who are primarily responsible for what happened, and who really owe Miss S her money back. But I can only look at what Halifax are responsible for. Having carefully considered everything that both sides have said and provided, I can't fairly hold Halifax liable for Miss S's loss. I'll explain why.

It's not in dispute that Miss S authorised the payments involved. So although she didn't intend for the money to end up with scammers, under the Payment Services Regulations she is liable for the loss in the first instance. And broadly speaking, Halifax had an obligation to follow her instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Halifax should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Halifax should have done more in Miss S's case.

However, I don't think the payments involved were so unusual or out of character that Halifax needed to intervene before they did. While the total loss was large in the end, the payments were spread out over a substantial amount of time. The spending was not sufficiently large enough or rapid enough at any given point to have required earlier intervention. And it went to an established exchange who Miss S had used a number of times before. So I find that Halifax did not need to intervene any earlier than they did.

I understand that Miss S feels Halifax's intervention was not sufficient. But I can see that once Halifax intervened, they stopped Miss S from paying the scammers, and her losses stopped. So ultimately, the intervention was successful.

Finally, I've considered whether Halifax could've reasonably done more to recover Miss S's money after she told them about the scam. Unfortunately, as the money had already been sent on, there was nothing left to recover. As these were payments made to a crypto account in Miss S's control, they weren't covered by the CRM Code for scams. And there was no chargeback reason which would've been appropriate to this situation. A chargeback would've been a claim against the exchange, not the scammers, and the exchange provided the service they were asked to. So it wasn't realistically possible to get the card payments back through the chargeback scheme either.

So while I'm very sorry to hear about what happened to Miss S, I don't think Halifax can fairly be held responsible for her loss. And so I cannot fairly tell Halifax to refund Miss S's money in this case.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 30 January 2025.

Adam Charles  
**Ombudsman**