

## The complaint

Mr A complains that Bank of Scotland plc trading as Halifax (Halifax) is refusing to refund him the amount he lost as the result of a scam.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr A was looking for a passive income online when he came across a company, I will call X. X offered Mr A a job online that came with training in e-commerce. Mr A was required to make payments in cryptocurrency to unlock tasks and to make payments to X to clear negative balances on his account within its platform.

Mr A was promised a return when he made the payments and received some small credits.

Mr A made the following payments from his Halifax account in relation to the scam.

Payment	Date	Payee	Payment Method	Amount
1	12 September 2023	Individual 1	Transfer	£35.00
2	13 September 2023	Individual 1	Transfer	£140.00
3	15 September 2023	Individual 1	Transfer	£291.66
4	15 September 2023	Individual 1	Transfer	£50.00
5	16 September 2023	Individual 1	Transfer	£31.00
6	16 September 2023	Individual 1	Transfer	£11.00
7	16 September 2023	Individual 2	Transfer	£481.00
8	17 September 2023	Individual 3	Transfer	£1,447.56
9	17 September 2023	Individual 4	Transfer	£860.00

After payment 9 Mr A attempted to make a larger payment of over £3,000 which triggered Halifax's fraud prevention systems. A call took place and Mr A was asked to attend a Halifax branch where the scam was uncovered.

Our Investigator considered this complaint and didn't think it should be upheld. Mr A disagreed so this complaint has 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.

It has not been disputed that Mr A has fallen victim to a cruel scam. The evidence provided by both Mr A and Halifax sets out what happened. What is in dispute is whether Halifax should refund the money Mr A lost due to the scam.

*Recovering the payments Mr A made*

Mr A made payments into the scam via transfer. When payments are made by transfer Halifax has limited options available to it to seek recovery. Mr A was buying cryptocurrency that he received by making the disputed payments, which was then sent on to the scam.

As the payments Mr A made from his account were genuine payments it would not be possible to recover the funds from those payees.

*Should Halifax have reasonably prevented the payments Mr A made?*

It has been accepted that Mr A authorised the payments that were made from his account with Halifax, albeit on X's instruction. So, the starting point here is that Mr A is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Halifax should have been aware of the scam and stepped into question Mr A about the payments he was making. And if it had questioned Mr A, would it have been able to prevent the scam taking place.

The payments Mr A made from his Halifax account were all relatively low in value, spread across several days. When taking this into consideration I don't think it was unreasonable that none of the successful payments triggered Halifax's fraud prevention systems prompting it to intervene.

When Mr A attempted to make a larger payment into the scam Halifax's fraud prevention systems were triggered and an intervention took place that resulted in the scam being uncovered.

Overall, I don't think it was unreasonable that the payments that left Mr A's account didn't trigger Halifax's fraud prevention systems. So, Halifax didn't miss an opportunity to prevent the scam, and it is not responsible for Mr A's loss.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 24 December 2024.

Terry Woodham  
**Ombudsman**