

The complaint

Mr H complains that Bank of Scotland plc trading as Halifax won't refund money he lost to a scam.

Mr H is represented by a firm I'll refer to as "C". For ease, I have referred to comments made by C as though Mr H made them.

What happened

Mr H is unhappy Halifax allowed him to make payments which he said totalled £152,333.63 towards what he believed were legitimate cryptocurrency investments.

Mr H said he saw an advertisement on a social media platform about an investment opportunity. He decided to invest and was contacted by a broker. Mr H started to make payments towards the investment in April 2022, and in March 2023 he was informed the investment firm had failed. The scammer said he would help regain the money Mr H lost by trading through a different investment firm and Mr H was asked to make further payments. Mr H said he realised he had been scammed when he was asked to pay fees to withdraw his funds. He raised the matter with Halifax but it didn't uphold his complaint.

Our investigator didn't think the complaint should be upheld. He said that Mr H had been warned and educated on many occasions, even before he made the first payment. As such, our investigator thought he was on full notice when he made the payments.

Mr H didn't accept our investigator's opinion and asked for the case to be reviewed by an ombudsman. He thinks the banking protocol should have been enacted. He says that more persistent and targeted warnings could have had an impact. Mr H also says Halifax's interventions were not as clear, targeted, or forceful as necessary to counteract the scammer's influence. As such, the 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.

In broad terms, the starting position in law is that a bank is expected to process payments and withdrawals that a customer authorises it to make. There is no dispute here that Mr H authorised the payments. And in accordance with the Payment Services Regulations and the terms and conditions of the account, Mr H is responsible for the loss.

However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Halifax should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

That said, there are many payments made by customers each day, and it's not reasonable to expect the bank to stop and check every payment instruction to try to prevent fraud or

financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers, and not unnecessarily disrupting legitimate payment instructions.

Halifax found several of the payments suspicious. And prior to the first successful payment, it stopped a large payment Mr H attempted to make and he was directed to the branch where he was told the investment was likely a scam. Mr H chose not to proceed with the payment at the time but after further interactions with the scammer, he continued on to make several payments over more than a year.

Halifax intervened on several other occasions, I know Mr H does not think its interventions were sufficient, but I don't agree. Mr H was provided tailored warnings highlighting key features of a cryptocurrency investment scam which I think ought to have resonated with him. On several occasions he was told plainly by staff members that he was falling victim to a scam. Halifax also declined a number of payments which gave Mr H an opportunity to stop and consider things carefully. Ultimately, I find the warnings Halifax provided were appropriate and proportionate to the risk it identified. Unfortunately, as Mr H was under the spell of the scammer and heavily influenced by them, and he didn't take heed of the warnings he was given.

So it follows that even if Halifax had intervened in the other payments Mr H made, I don't think it would have had a positive impact on him. This is because, as I mentioned above, when he was provided, what in my opinion, were clear warnings, he chose to move past them and continued to make the payments. Mr H was not entirely honest with the members of staff he spoke to, for instance during one such intervention Mr H stated that he planned to invest on his own and would no longer be using a broker, which was not the case. Mr H also took out loans to fund the investment and was not honest about the purpose of the borrowing. This indicates to me that he was determined to have the payments processed and willing to deceive the bank in order to do so. I also find that Mr H was taken in by the scammer, he had built a relationship with them and come to trust them which is evident in their conversations. So I'm not persuaded any further warnings would have broken the spell.

I've also considered the vulnerabilities Mr H has told us about and that he thinks Halifax ought to have invoked the banking protocol, which is where the bank has the power to report to the police if it thinks a customer is a victim of financial harm. Even if Halifax had taken further steps to protect Mr H, considering that he believed the scammer to be genuine and he was determined to make the payments, I think it's likely that he would have found alternative means of making payment.

The payments were made to cryptocurrency wallets in Mr H's name and remained under his control before they were sent on to the scammer. As such, I am not persuaded there were any prospects of recovering the funds he lost.

I've thought carefully about everything that's happened here. and I understand these have been difficult times for Mr H and he will be disappointed with the outcome. I appreciate that Mr H has been a victim of a cruel scam and lost a large amount of his money here, and I sympathise with him. But I must put aside my feelings and consider the matter impartially. Having done so, I cannot fairly or reasonably hold Halifax responsible for Mr H's losses.

My final decision

For the reasons I have outlined above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 July 2025.

Oluwatobi Balogun
Ombudsman