DRN-4900180

The complaint

Mr W complains that Bank of Scotland plc trading as Halifax ("Halifax") hasn't protected him from losing money to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Mr W has explained that in September to November 2023 he made numerous payments from his Halifax account for what he thought was a legitimate investment. Mr W subsequently came to believe he'd been scammed and got in touch with Halifax. Ultimately, Halifax didn't reimburse Mr W's lost funds, and Mr W referred his complaint about Halifax to us. As our Investigator couldn't resolve the matter informally, the case has been passed to me for a 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've decided to not uphold Mr W's complaint.

If Mr W was scammed, I'm sorry, but this doesn't automatically entitle him to a refund from Halifax. The fraudsters would be the root cause of Mr W's loss. And it would only be fair for me to tell Halifax to reimburse Mr W his loss (or part of it) if I thought Halifax reasonably ought to have prevented the payments (or some of them) in the first place, or Halifax unreasonably hindered recovery of the funds after the payments had been made; and if I was satisfied, overall, this was a fair and reasonable outcome.

I'm satisfied Mr W authorised the relevant payments. Halifax would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Mr W is presumed liable for the loss in the first instance, in circumstances where he authorised the payments. That said, as a matter of good industry practice Halifax should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect Halifax to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

And in this case, because of this balance that needs to be struck, I'm not persuaded I could fairly say that I'd reasonably expect Halifax to have intervened in any of Mr W's payments in this particular case, before following Mr W's instructions to make them.

I accept that the payments were made to a crypto provider, but that doesn't mean payments should automatically be treated as suspicious, particularly where there are no other concerning factors about the payments. The payments, being for the amounts and spaced as they were, just wouldn’t, in the context of this case and Mr W’s account, reasonably have looked concerning to Halifax in a proportionate fraud and scams monitoring context. This means I can’t fairly say Halifax unreasonably failed to prevent the payments, or that it should be held responsible for Mr W having made and lost them.

I also wouldn’t reasonably expect Halifax to have been able to recover Mr W’s payments in a situation like this whereby they were made to a legitimate cryptocurrency provider which provided the services intended.

I’m sorry if Mr W was scammed and lost this money. However, I can’t fairly tell Halifax to reimburse him in circumstances where I’m not persuaded it reasonably ought to have prevented the payments or to have recovered them.

My final decision

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

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr W to accept or reject my decision before 25 September 2025.

Neil Bridge
Ombudsman