

The complaint

Mr and Mrs J complain that Bank of Scotland plc trading as Halifax (Halifax) is refusing to refund then the amount Mr J lost as the result of a scam.

Mr and Mrs J are being represented by a third party. To keep things simple, I will refer to Mr and Mrs J throughout my decision.

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 J received an email that appeared to come from an acquaintance of his that contained a link to an investment opportunity. Mr J clicked on the link which took him to a website showing a well-known celebrity talking about a cryptocurrency investment and giving details of how it would work. Mr J decided to invest.

Mr J was encouraged to open an account with another provider for the purpose of the investment and told to download screensharing/remote access software to help with the investment process, and the setting up of cryptocurrency accounts.

Mr J made multiple transfers and card payments from his Halifax account to his new account in relation to the investment and these funds were then sent from that account as part of the scam. Mr J was then able to see he had made a substantial profit.

But when Mr J attempted to make a withdrawal from his investment that was unsuccessful, he enquired with a cryptocurrency exchange, and it came to light that Mr J had fallen victim to a scam.

Mr J made the following payments in relation to the scam from his Halifax account:

Payment	Date	Payee	Payment Method	Amount
1	6 April 2023	Mr J	Open Banking	£400.00
2	4 April 2023	Mr J	Open Banking	£4,000.00
3	18 April 2023	Mr J	Open Banking	£450.00
4	23 April 2023	Mr J	Debit Card	£16.17
5	2 May 2023	Mr J	Debit Card	£100.00
6	9 May 2023	Mr J	Open Banking	£3,200.00
7	10 May 2023	Mr J	Debit Card	£50.00
8	10 May 2023	Mr J	Debit Card	£50.00
9	24 May 2023	Mr J	Debit Card	£3,000.00
10	24 May 2023	Mr J	Open Banking	£3,000.00
11	30 May 2023	Mr J	Debit Card	£1,400.00
12	2 June 2023	Mr J	Debit Card	£1,100.00
13	2 June 2023	Mr J	Debit Card	£20.00
14	8 June 2023	Mr J	Debit Card	£3,000.00
15	8 June 2023	Mr J	Open Banking	£2,500.00

16	8 June 2023	Mr J	Open Banking	£3,000.00
17	8 June 2023	Mr J	Open Banking	£1,500.00
18	9 June 2023	Mr J	Open Banking	£600.00
19	13 June 2023	Mr J	Open Banking	£3,500.00
20	13 June 2023	Mr J	Open Banking	£3,000.00
21	20 June 2023	Mr J	Open Banking	£4,000.00
22	20 June 2023	Mr J	Open Banking	£2,500.00
23	20 June 2023	Mr J	Open Banking	£2,500.00
24	20 June 2023	Mr J	Open Banking	£1,100.00
25	20 June 2023	Mr J	Open Banking	£450.00
26	21 June 2023	Mr J	Open Banking	£480.00
27	21 June 2023	Mr J	Open Banking	£220.00
28	21 June 2023	Mr J	Open Banking	£10.00
29	22 June 2023	Mr J	Open Banking	£4,000.00
30	22 June 2023	Mr J	Open Banking	£3,200.00
31	23 June 2023	Mr J	Open Banking	£4,000.00
32	23 June 2023	Mr J	Open Banking	£3,400.00
33	23 June 2023	Mr J	Open Banking	£450.00
34	23 June 2023	Mr J	Open Banking	£1,500.00
35	23 June 2023	Mr J	Open Banking	£100.00
36	26 June 2023	Mr J	Open Banking	£1,600.00
37	26 June 2023	Mr J	Open Banking	£1,500.00
38	27 June 2023	Mr J	Open Banking	£160.00
39	30 June 2023	Mr J	Open Banking	£1,650.00
40	30 June 2023	Mr J	Open Banking	£50.00
41	1 July 2023	Mr J	Open Banking	£1,500.00
42	3 July 2023	Mr J	Open Banking	£100.00
43	4 July 2023	Mr J	Open Banking	£1,700.00
44	6 July 2023	Mr J	Open Banking	£250.00
45	8 July 2023	Mr J	Open Banking	£2,000.00
46	11 July 2023	Mr J	Open Banking	£900.00
47	11 July 2023	Mr J	Open Banking	£70.00
48	11 July 2023	Mr J	Open Banking	£40.00
49	11 July 2023	Mr J	Open Banking	£31.00

Our Investigator considered Mr and Mrs J's complaint and didn't think it should be upheld. Mr and Mrs J 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 J has fallen victim to a cruel scam. The evidence provided by both Mr and Mrs J and Halifax sets out what happened. What is in dispute is whether Halifax should refund the money Mr and Mrs J lost due to the scam.

Recovering the payments Mr J made

Mr J made payments into the scam via debit card and via open banking. All the payments Mr J made in relation to the scam from his Halifax account were made to another account in his own name. As Mr J was in control of the account, he sent the payments to, any charge back attempt or refund request would have little prospect of success.

So, I don't think Halifax had any reasonable options available to it to recover the payments Mr J made from his Halifax account in relation to the scam.

Should Halifax have reasonably prevented the payments Mr J made?

It has been accepted that Mr J authorised the payments that were made from Mr and Mrs J's account with Halifax, albeit on the scammer's instruction. So, the starting point here is that Mr J 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 intervened when Mr J made the disputed payments. And if it had intervened, would it have been able to prevent the scam taking place.

Mr J made multiple payments to his account held with another provider in relation to the scam and while these payments were going to an account in Mr J's own name, he did send multiple payments in quick succession to that account between payments 14-17 that took place on the same day and totalled more than £10,000. I think that by the time Mr J made payment 17 Halifax should have had concerns and intervened. Halifax has confirmed it did not intervene when Mr J made any of the payments that have been disputed.

But in any event, I don't think it would have made a difference had Halifax intervened in the way I have suggested it should have above, I will explain why.

Mr J made payments from his Halifax account to another account held in his name that was opened by Mr J specifically to fund the scam. Mr J then made payments from that other account via cryptocurrency to the scammer.

On 14 April 2023 Mr J contacted his other account provider via its chat facility and a conversation took place. Mr J explained that he had concerns restrictions had been placed on his account for making payments.

During this chat Mr J confirmed he was not using a finance manager, he had not been using screensharing/ remote access software, he was making a purchase of cryptocurrency to his own ledger, and no one had advised him to open a new account. Mr J also confirmed that he had heard about the new account provider via the internet.

It's clear from the chat transcript that Mr J was giving incorrect information when attempting to make payments in relation to the scam. When incorrect information is provided by a customer it makes it extremely difficult for any scam to be uncovered.

With the above in mind, I don't have enough to say that Mr J would have been any more honest had Halifax intervened when he made any of the payments from the Halifax account in relation to the scam. So, I don't think Halifax missed an opportunity to prevent the scam and it is not responsible for Mr J'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 and Mrs J to accept or reject my decision before 14 March 2025.

Terry Woodham
Ombudsman