

The complaint

Mr C complains that Bank of Scotland plc trading as Halifax didn't do enough to prevent him falling victim to an investment scam.

Mr C has used a representative to bring his complaint. But, for ease of reading, I'll mostly just refer to Mr C throughout my decision where I also mean the representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key points here. In 2023 Mr C says he was the victim of an investment scam. He says that he saw an online advertisement for an investment opportunity with a company I'll refer to as 'B'. He left his details and was called back. He says those he spoke to came across as professional and he didn't find any negative reviews online. Mr C says he made an initial investment of £250 (but he can't remember where he made this payment from). He then followed up by funding his investment with cryptocurrency he already held in his online account with 'F' (a cryptocurrency exchange).

On 14 August 2023 Mr C received £399 back from his 'investment' into his Halifax account. He says that the fact that he'd been able to make a successful withdrawal, increased his confidence in the investment. Mr C says he could see the results of his funds being traded online on B's platform and he requested a further withdrawal. He says he was told he'd need to credit a further payment to enable the withdrawal. As a result of this Mr C sent two payments, each of £2,500 from his Halifax account on 19 September 2023. Both payments went to Mr C's account with F, where I understand they were exchanged for cryptocurrency before being sent on. Mr C's withdrawal still wasn't forthcoming. And when he was asked for make a further payment to release the funds, he says he realised he'd been scammed.

Around a month later, Mr C was also the victim of a further scam, which is the subject of a separate complaint. In November 2023, Mr C complained to Halifax that they hadn't done enough to protect him from the scam. Halifax responded to the complaint but didn't offer any redress. Mr C referred his complaint to our service and one of our Investigators didn't recommend that it should be upheld. He wasn't persuaded that Halifax were responsible for the loss. Mr C disagrees and has asked for an Ombudsman to review his complaint.

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 reached the same outcome as our Investigator and for similar reasons. I know this will be disappointing for Mr C, so I'll explain why.

Halifax's first obligation is to follow the payment instructions from their customers like Mr C. And it isn't in dispute that Mr C himself instructed the payments relevant to this complaint. So

the starting position is that Mr C is usually responsible for payments he's instructed himself. But that isn't the end of the story. Halifax should also be alert to the potential for fraud, scams and the misappropriation of funds. And they should do what they can to protect their customers from these risks.

I've looked closely at Mr C's account history. I can see that prior to Mr C's outgoing payments to this scam, he had already paid his account with F on numerous occasions dating back to April 2021. There was also more than one instance of credits being received back from F. So with an existing and established relationship between the accounts dating back over two years. I can understand why this might have provided a degree of reassurance to Halifax. A longstanding link like this isn't something that is commonly seen in scam cases. The risk associated with new payees, compared to longer standing connections is generally greater.

The amounts involved (£2,500 individually or £5,000 collectively) also weren't something that I think would've appeared as particularly unusual or out of character for Mr C's account. Mr C had made a legitimate payment of over £7,200 in August 2023, similarly there were outgoing payments of over £2,300 and nearly £1,600 in June and July 2023 respectively. In that context, I don't think the amounts of the outgoing payments were so unusual, suspicious or out of character where I'd have expected more on that basis. The two payments also didn't drain the balance of Mr C's account. Even after they'd been processed a balance remained of over £2,700.

However, I do need to balance the above factors against the payments going to a cryptocurrency exchange (something Halifax would've known or likely could've ascertained at the time). And whilst cryptocurrency is often a legitimate purchase / investment, it is also a common factor in scams. And I do accept that there were two payments in one day, and multiple payments in one day, can also be a reason for concern.

There is a balance to be struck between stopping and checking payments and allowing customers ready access to their funds. It isn't possible (or desirable) to expect banks to stop and check all payments, I'd expect a level of proportionality based on the risk associated with any given payment to help manage this balance.

Having carefully thought about all the above factors, in the circumstances of this case, I don't think it was unreasonable for Halifax not to have done more than they did before processing the payments. Based on the information they held about the payments, in line with the account history I don't think the decisions they took at the time, with the information available to them was unreasonable. I don't think the account activity was so suspicious or out of character that this is a reasonable expectation in this particular case.

As I don't think Halifax fairly should've stopped the payments, I've gone on to think about whether they could've done more to help recover the same, once aware of the problem. But in the circumstances here, Mr C's testimony is that the payments were exchanged for cryptocurrency which was sent on to the scammers. So I don't think anything Halifax did or didn't do at that point would've impacted whether a recovery could've been made.

Mr C has also said he was vulnerable at the time in part due to a close family member being very unwell. I'm sorry to hear of Mr C's personal circumstances. But I've not seen evidence to support that Halifax was made aware of this situation and I don't think it's something I fairly could've expected them to have ascertained themselves. So it isn't a basis upon which I could expect them to have done more.

For completeness, I'm also satisfied that the Lending Standards Board's Contingent Reimbursement Model (CRM Code) doesn't apply in this case. This was a scheme through

which victims of scams could sometimes receive redress from the banks involved. But it required that any payments were made to another person, and here, the payments went to Mr C's own account with F.

I'm of course sorry to hear Mr C lost the money he did to this investment scam. But as I don't think this is something Halifax can fairly be said to be responsible for, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 August 2025.

Richard Annandale
Ombudsman