

The complaint

Mr S complains that Bank of Scotland plc trading as Halifax ("Halifax") won't refund payments he made as part of a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But in summary, I understand it to be as follows.

Mr S was made aware of an investment opportunity with a company which traded in cryptocurrency. This company will be further referred to as 'Company A'.

Mr S reviewed the information he received from Company A and, satisfied with what he'd seen, decided to invest. Mr S made 16 payments, totalling £10,095, to a cryptocurrency account in his name between October 2023 and November 2023.

In January 2024, Mr S complained to Halifax that he'd fallen victim to a scam. Mr S complained that they failed to intervene to ensure that the payments were genuine, and that he wasn't the victim of a scam.

Halifax declined Mr S's complaint on the basis that Mr S authorised the transactions and they went to an account in his own name, meaning he hadn't suffered a financial loss at the point the payments left his Halifax account. Halifax also stated that the payments were not unusual in comparison to the genuine usage of Mr S's account, so there wasn't any reason for them to have intervened prior to releasing the funds. Unhappy with this response, Mr S's complaint was referred to our service through a professional representative.

An investigator looked into Mr S's complaint but didn't uphold it. The investigator said that the payments weren't unusual enough for Halifax to have identified that Mr S may be at risk of financial harm or that they ought to have done more to establish the circumstances of the payments. The investigator also said that the payments were to an account in Mr S's own name, so Halifax couldn't have recovered his funds.

Mr S disagreed with the investigator's findings. In summary, Mr S still believed that the payments were unusual for his account and that Halifax failed to meet their regulatory obligations by not discussing the payments prior to their release. Mr S also felt that Halifax could've done more to recover his funds.

As the complaint couldn't be resolved by the investigator it has been passed to me for a decision.

Before issuing my decision, I contacted Mr S to request some further information. The information requested related to Mr S proving his loss as well, as the alleged scam and how it unfolded.

I haven't received complete answers to the questions asked within the timeframe given. As that's the case, I will proceed with my decision based on the information currently available.

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 deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

In broad terms, the starting position at law is that a bank such as Halifax is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here it's not in dispute that the payments were authorised, so the starting position is that Halifax isn't liable for the transactions.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Halifax also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm. Taking these things into account, I need to decide whether Halifax acted fairly and reasonably in its dealings with Mr S.

Having reviewed the payments made in comparison with Mr S's typical account activity, I'm not satisfied that Halifax ought to have intervened and questioned Mr S before releasing the funds. I say this as the payments are not of a value or in such quick succession which means they stand out as unusual or suspicious in comparison with Mr S's usual account activity.

But, even if it were the case that I find Halifax should've intervened and prevented the payments, I'd need to be satisfied that Mr S has suffered a financial loss in order to recommend any award be made to him. Further, I'd also need to be satisfied that Mr S has fallen victim to a scam.

Before issuing my decision, I contacted Mr S's representative to request some further information regarding his financial loss and details regarding the alleged scam and how it unfolded.

When reviewing Mr S's account statements, I can see that the disputed payments were almost entirely funded by incoming payments from third parties. Furthermore, Mr S's account statements show payments being made back to these third parties following credits from the cryptocurrency platform. Also, I've seen no documentary evidence to confirm any contact or involvement Mr S has had with Company A, who he says perpetrated the scam.

I haven't received an explanation as to the purpose of these incoming and outgoing payments to third parties, or any evidence that Mr S had any involvement with Company A, or that he has fallen victim to a scam. Because of that, I'm not satisfied that Mr S has sufficiently demonstrated that he has suffered a financial loss or that he is the victim of a scam. So, I can't say that Halifax should refund any of the payments Mr S has disputed.

My final decision

My final decision is that I don't uphold this complaint against Bank of Scotland plc trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 July 2025.

Billy Wyatt
Ombudsman