

The complaint

Mr K has complained that Bank of Scotland plc (trading as Halifax) won't refund the money he lost after falling victim to a scam.

What happened

In 2023, Mr K found a cryptocurrency investment scheme, either through an online advert, or through a scammer he met on social media, or through a scammer he met on a dating app.

Over the course of several months, Mr K sent over £25,000 from his Halifax account to his own account at another firm, then he ultimately bought crypto and sent it to the scammers. He funded much of this using a car loan. In the end, he was told to pay various fees to get his money out and was unable to withdraw his funds from the scammers' platform.

In 2024, Mr K complained to Halifax via representatives. Halifax didn't think they were liable for Mr K's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr K's representatives asked for an ombudsman's final decision, so the complaint's 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.

I understand that Mr K fell victim to a scam, and so he has my sympathy. I appreciate that the scammers abused his trust and caused him a great deal of distress. I understand that this cannot have been an easy matter for him to face, and I understand why he would like his money back. It's worth keeping in mind that it's the scammers who are primarily responsible for what happened, and who really owe Mr K his money back. But I can only look at what Halifax are responsible for. Having carefully considered everything that both sides have said and provided, I can't fairly hold Halifax liable for Mr K's loss. I'll explain why.

It's not in dispute that Mr K authorised the payments involved. So although he didn't intend for the money to end up with scammers, under the Payment Services Regulations he is liable for the loss in the first instance. And broadly speaking, Halifax had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Halifax should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Halifax should have done more in Mr K's case.

This was of course a substantial amount to lose in total – and again, I sympathise with Mr K there. However, the payments were spread out over a lengthy period, were covered by a more than sufficient balance, and were going to Mr K's own genuine account at another regulated firm, which would've made them seem less risky. While the spending did become larger and faster towards the end, by that point Mr K's other account had become an established payee. Indeed, Mr K told Halifax afterwards that his use of the other firm pre-dated and post-dated the scam and he used that account for genuine things too. Importantly, in the period before the scam, the main use of this Halifax account had been transferring money between Mr K's other accounts, so this type of payment was very much in character for his account. And customers do sometimes move large sums between accounts for genuine reasons or have increases in spending, especially after taking out a loan for a large expense. So while there was an increase in spending, it wasn't so quite concerning or out of character that I think Halifax needed to intervene in this particular case.

Lastly, I've considered what Halifax did to try to recover Mr K's money after he told them about the scam. Unfortunately, as he paid this money to his own account at another firm then sent it on from there, it wasn't possible for Halifax to get the money back, and the payments weren't covered by the CRM Code for scams. I'm afraid there was nothing more that Halifax could've reasonably done there.

So while I'm very sorry to hear about what the scammers did to Mr K, I don't think Halifax can fairly be held responsible for his loss. And so I can't fairly tell Halifax to reimburse Mr K in this case.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 2 September 2025.

Adam Charles
Ombudsman