

The complaint

Miss R has complained that her bank, Bank of Scotland Plc trading as Halifax ('Halifax'), refused to refund the money she lost when she fell victim to a scam.

Miss R's complaint was brought to us through a representative but for ease I will refer to their comments as Miss R's.

What happened

In September 2021 Miss R saw an advert on social media regarding cryptocurrency investment opportunities from a company I will refer to as 'P'. She said she researched the company online and found nothing of concern. So, she decided to invest.

Miss R said shortly after clicking on the advert and looking over P's website she was contacted by a 'broker' who took her through the investment process. She said she found this reassuring and quickly built a rapport with the broker who became her dedicated point of contact. She said the broker told her he was an experienced investor but, unfortunately, in the end he turned out to be a scammer.

Miss R agreed for the broker to access her computer remotely as she was told this would facilitate the process of investing. She was also guided through opening cryptocurrency accounts with well-known exchanges.

Miss R made the following faster payments to a cryptocurrency account in her name:

Number	Date	Amount
1	06/09/2021	£2,750
2	07/09/2021	£1,000
3	15/09/2021	£3,000
4	21/09/2021	£10,000
5	21/09/2021	£5,000
6	22/10/2021	£1,430
7	08/11/2021	£2,280
8	23/11/2021	£2,900
9	09/12/2021	£9,200
Total		£37,560

On 15 September 2021 Miss R also received a credit into her account from the same cryptocurrency exchange for £2,750.

A few months later, when profits seemed to grow, Miss R decided to withdraw her funds. When she tried to do this, she was told she had to pay various fees and taxes. At this point Miss R said she suspected this might be a scam.

Miss R didn't report the matter to Halifax until January 2024 when she raised a complaint via her representatives. She said Halifax failed to take effective action regarding the transactions. She added that there were no warnings before each payment or effective interventions. She felt that Halifax failed in its duty of care to protect her from the scam. She said that had it intervened, she most likely would not have proceeded with the payments. She wanted Halifax to reimburse her for all the money she lost, plus interest and £300 compensation.

Halifax investigated the complaint. It contacted the cryptocurrency exchange but it said that Miss R used the funds to purchase cryptocurrency which she then transferred into a third-party wallet outside the exchange. It also confirmed there were no fiat funds left in Miss R's account.

Halifax ultimately decided that it was 50% liable for Miss R's losses from payment two to payment nine because it should have intervened. It acknowledged that Miss R hadn't previously made many faster payments and in 2021 had only made one such payment for £130. It considered that Miss R was equally responsible for her losses as she failed to do enough to ensure this was a genuine investment opportunity. It paid her £30 compensation and £17,405 for her losses plus 8% interest from the date the payments were made to the date of its final response letter in March 2024. The interest came to £5,464.63 (net of tax) and the total Miss R received was £22,899.63.

Miss R brought her complaint to our service, and said though she appreciated Halifax taking some accountability, she wanted a full refund.

One of our investigators reviewed the complaint but didn't think Halifax had to take any further action. Our investigator agreed that Halifax should have intervened at payment two. He also agreed that it was fair and reasonable that Miss R was equally liable for the loss.

Miss R didn't agree and asked for an ombudsman's decision, so the matter was 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'd like to say straight away that I was very sorry to hear that Miss R fell victim to a cruel scam. I have a great deal of sympathy for her and realise that being the victim of a scam will have had a significant impact on her, not just financially, but because of the way the scammer took advantage of her and gained her trust.

The starting position in 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 2017 and the terms and conditions of the customer's account.

It isn't in dispute that Miss R was the victim of a scam. I have considered whether Halifax should have recognised that Miss R was at risk of financial harm from fraud and whether it should have intervened.

It isn't in dispute that all the payments were authorised by Miss R even though I appreciate it wasn't her intention that they ended up with the scammers and that she genuinely believed they were being invested for her benefit. Nevertheless, in the first instance, Miss R is unfortunately presumed liable for them. But that's not the end of the story.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, guidance and standards, codes of practice, regulators' rules and where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Taking those into account I consider it fair and reasonable that in September 2021 Halifax should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Halifax sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including, for example, the use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Looking at the recent activity on the account, I accept that most other payments on Miss R's account are quite low- quite a few are under £100 - and as Halifax has pointed out Miss R had never made faster payments for more than £130 before. There was one debit for £1,970.37 in September 2020.

But, I don't think Halifax had to intervene at the first payment. The payment was for £2,750 which I appreciate is a lot of money to Miss R - but the bank processes transactions like this all the time. There is a balance to be struck between banks identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments..

Halifax has accepted it ought to have intervened from payment two and offered to refund Miss R from that point– so I haven't considered this any further. However it did make a 50% deduction, so I have considered whether it is appropriate for it to do so.

I have considered whether it is fair for Halifax to deduct 50% from the refund on the basis that it considers Miss R should bear some responsibility by way of contributory negligence. Having done so I agree with the investigator for broadly the same reasons and as set out below:

- I appreciate Miss R wasn't an experienced investor and the name of the company was similar to a genuine limited company and there were some convincing aspects of the scam such as a trading platform - but I think there were a number of red flags that ought to have caused concern.
- She found the opportunity on a social media platform which is unusual with a genuine investment company.
- The name of the company who emailed her was also not an exact match as the name of the company on the advert and the email address wasn't from a business domain.
- Having read the messages Miss R had with the scammer I can see she was being pressured into investing a relatively large amount of money in a short space of time and even encouraged to take out a loan – something I don't think a genuine investment company would do.
- Some of the communications with the scammer appear unprofessional and not what I'd expect from a genuine investment company.
- She received no paperwork or terms or conditions which is unusual with a genuine investment.
- It seems that the promised returns were too good to be true which ought to have made Miss R more wary.
- The scammer suggested downloading remote access software – not something I'd expect a genuine investment company to do.

I've gone on to consider whether Halifax should have done more to recover Miss R's funds but I don't think that would have been possible. I say this because Miss R didn't inform Halifax about the scam until years later. When Halifax contacted the cryptocurrency exchange it confirmed there was no more fiat currency in Miss R's wallet and that the cryptocurrency had been moved to an external wallet. And I also don't think a chargeback would have been successful bearing in mind that the cryptocurrency exchange had provided a genuine service in providing cryptocurrency in return for Miss R's money.

For completeness I will also say that I don't think this is a complaint covered under the Contingent Reimbursement Model code as Miss R has alleged. And this is because the payments were made to an account in Miss R's own name and which she had control of.

I understand Miss R will be disappointed with my decision as I know that she wanted to make a full recovery of her loss. But, in the circumstances I don't think there is anything more Halifax needs to do. I think its settlement of £22,899.63 for Miss R's losses including the £30 compensation and £5,464.63 tax payments was fair and reasonable.

My final decision

For the reasons above, I have decided not to uphold this complaint.

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

Anastasia Serdari
Ombudsman