

The complaint

Mr O is complaining that Bank of Scotland plc trading as Halifax (Halifax) hasn't agreed to refund payments he says he made to a scam.

The complaint is brought on his behalf by a professional representative, but I'll mainly refer to Mr O here.

What happened

Both parties are familiar with the circumstances of the complaint, so I'll only set out the key points here.

Mr O was introduced to an investment scheme by a friend.

In early 2022 he made the following payments from his account with Halifax to buy cryptocurrency, which was then transferred to the scheme:

Date	Type	Payee	Amount
5 January 2022	Transfer	Cryptocurrency exchange 1	£2,562.75
8 March 2022	Debit card payment	Cryptocurrency exchange 2	£158
21 March 2022	Debit card payment	Cryptocurrency exchange 2	£1,650
24 March 2022	Debit card payment	Cryptocurrency exchange 2	£125

In 2024 Mr O complained to Halifax, through his representative. He said that the scheme he'd invested in was a scam and he'd lost his money, and that Halifax ought to reimburse him.

Halifax replied to explain that it didn't think it needed to reimburse Mr O. Mr O didn't agree, so he brought his complaint to the Financial Ombudsman Service.

Our Investigator didn't uphold Mr O's complaint. They thought, in summary, that the disputed payments wouldn't have appeared out of character or suspicious to Halifax so that it ought to have intervened before processing them.

Mr O didn't agree, so his complaint has been passed to me for review and a decision.

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'm very sorry to disappoint Mr O as I can see he feels strongly about this, but I'm not upholding his complaint. I'll explain why.

I can see that Mr O's representative has provided some screenshots showing information related to the scam Mr O says he invested in, but I can't see anything on these screenshots which links them directly to Mr O. There doesn't appear to any other correspondence available linking Mr O to the scam. And the Investigator has also asked Mr O for some more information to show that the cryptocurrency he bought was subsequently transferred to the scam, which he's not yet been able to provide (although he's told us he intends to).

On Mr O's linked complaint about another business I've explained to his representative why I don't think I've seen enough to conclude Mr O lost his funds to a scam, and I'm waiting for it to respond. However, even if I had sufficient evidence that Mr O had lost his funds to a scam, it wouldn't make a difference to the outcome of this complaint. So, to prevent any further delay I intend to proceed with this decision as if Mr O had provided enough information to show he'd lost the funds to a scam.

I've thought about the Contingent Reimbursement Model (CRM) code which can offer a potential means of obtaining a refund following Authorised Push Payment (APP) scams. But the CRM code doesn't apply to payments made by debit card, or to transfers made to an account held by the same person, so Mr O's payments are not covered under it. I've therefore considered whether Halifax should reimburse Mr O under any of its other obligations.

It's not in dispute that Mr O authorised the payments, and Halifax does have a duty to act on his instructions. But in some circumstances, Halifax should take a closer look at the circumstances of a payment – for example, if it ought to be alert to a fraud risk, because the transaction is unusual or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payment. I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that banks such as Halifax process high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

I have reviewed the available statements which show Mr O's general account activity, along with the disputed payments. And having considered when they were made, their value and who they were made to, I'm not persuaded Halifax ought to have found any of the payments suspicious, such that it ought to have made enquires of Mr O before processing them.

While I understand the value of the payments was significant to Mr O, they were simply not of a value where I'd expect Halifax be concerned about Mr O being at risk of financial harm from a scam. And the value of the payments wasn't unusual compared to Mr O's previous account activity - Mr O had held his account for some years and had made payments of a similar value before.

Mr O has argued that the frequency, recipient and nature of the transactions should have prompted further scrutiny from Halifax but I simply don't agree with this point. The disputed

payments were made over (roughly) a three-month period, and didn't escalate in frequency or value, in the way that can sometimes indicate a scam is taking place.

I've taken into account that the payments were made to a cryptocurrency exchange, and I'd expect Halifax to have been aware of the increased risk to its customers of multistage fraud, often including payments to cryptocurrency. But at the time these payments were made I wouldn't have expected Halifax to have treated payments to cryptocurrency as carrying a significantly heightened risk of fraud, and it could take into account a range of factors when deciding whether to intervene.

Taking all the circumstances into account, I don't think it was unreasonable for Halifax not to view the payments as suspicious, such that it should have carried out any additional checks or given an additional warning before processing the payments. So, I don't think Halifax ought to have done any more to prevent the disputed payments Mr O made.

I've thought about whether Halifax could have done more to recover Mr O's payments once he reported what had happened. But I don't think it could have, as I'll explain.

The first payment was made by transfer to buy cryptocurrency, which was then transferred to the scam, so it wouldn't have been possible for Halifax to have recovered these funds.

The other payments were made by debit card. It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. But Mr O didn't report what had happened until some time after the time usually allowed to attempt chargeback under the card scheme's rules. And in any event, because Mr O received the cryptocurrency he'd paid for I can't see that there were any grounds for chargeback to be attempted here.

I'm sorry to disappoint Mr O. I can understand why he'd think that payments he made to a scam should be refunded. But because I don't think Halifax ought to have done anything more to prevent the payments being made, it wouldn't be fair or reasonable to ask it to refund them.

My final decision

My final decision is that I'm not upholding Mr O's complaint.

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

Helen Sutcliffe
Ombudsman