DRN-5245656

The complaint

Mr M 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 late 2023, Mr M was texted out of the blue by a scammer, who pretended to have accidentally messaged the wrong number. The scammer continued to talk to Mr M under the guise of building a romance, then once they'd gained his trust they persuaded him to invest in a cryptocurrency scheme.

Over the course of several months, Mr M made various payments between his own accounts, then he ultimately bought crypto and sent it on to the scammer's platform. From his Halifax account, Mr M transferred about £9,000 to his account at another bank, and about £10,000 to an e-money account of his. In the end, Mr M was unable to withdraw his investment from the scammer's platform.

In 2024, Mr M reported the scam to Halifax via representatives. Halifax sympathised, but didn't think they were liable for Mr M's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr M asked for an ombudsman's review, 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 M fell victim to a particularly cruel and manipulative scam, for which he has my sympathy. I appreciate that the scammer caused him a great deal of distress, and that this cannot have been an easy matter for him to face; and I appreciate why he would like his money back. It's worth keeping in mind that it's the scammer who's primarily responsible for what happened, and who really owes Mr M 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 M's loss. I'll explain why.

It's not in dispute that Mr M authorised the payments involved. So although he didn't intend for the money to end up with a scammer, 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 M's case.

While this was a substantial amount to lose in total, the payments were spread out over a lengthy period. There were significant gaps between each payment, and relative to the account's balance the individual payments were not so concerningly large as to have stood out as remarkable for this particular account. They went to accounts in Mr M's own name, at first to his well-established bank account, then to a newer account. And while the newer account provider did offer the ability to make crypto-related payments, they offered regular currency accounts and transfers too, so it's unclear whether Halifax would've reasonably known these were crypto-related payments. And even then, I must still keep in mind that the payments were spread out and were not suspiciously large relative to this particular account. So it's not clear that Halifax did need to intervene here.

Further, even if I did conclude that Halifax should've intervened and questioned or warned Mr M, I think it's most likely that such intervention would've been unsuccessful. I say this because the scammer told Mr M to mislead his banks, and he did so when speaking to his other bank. This is very much relevant as it evidences what he would've most likely done with Halifax. Mr M constructed a detailed story about family troubles causing him to want to diversify his savings and keep them in smaller institutions, such that he didn't have all his eggs in one basket. He gave the bank plausible, personal, and convincing details both when probed and also unprovoked of his own accord. Mr M's messages with the scammer demonstrate that he was determined to get his payments through, that he would tell his bank whatever they wanted to hear, and that he was very much under the scammer's spell.

I can understand why Mr M trusted the scammer, given how close they'd become. However, based on the evidence, it follows it's most likely he would've misled Halifax too. And given that Halifax's tailored warnings would've been tailored to Mr M's answers, if he gave similar misleading answers then they couldn't reasonably have provided relevant warnings which would've resonated. Similarly, even if Halifax had done full person-to-person intervention with Mr M – which I can't see that they'd have needed to here – then much like with his other bank, it doesn't seem likely that they could've uncovered or prevented the scam given Mr M's willingness and ability to give a detailed, convincing cover story.

Next, I've considered what Halifax did to try to recover Mr M's money after he told Halifax about the scam. However, as the payments all went to Mr M's own accounts, he either still had the money available to him there or had already sent it on, so there was nothing more for Halifax to reasonably do there. And as these were payments to Mr M's own accounts, they were not covered by the CRM Code for scams.

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

My final decision

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

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 September 2025.

Adam Charles
Ombudsman