DRN-5249524

Financial Ombudsman Service

The complaint

Mr S 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

Mr S was looking to invest in cryptocurrency and came across a scammer giving advice on crypto investments. The scammer advised Mr S to invest in a particular platform.

Over the course of March through June 2024, Mr S made card payments from his Halifax account to his own accounts at cryptocurrency exchanges, totalling around £12,000. He explained he then bought crypto and sent it to the scammer's platform. In the end, the scammer wouldn't release Mr S's funds unless he paid an up-front fee, they didn't want to advise Mr S anymore, and Mr S was removed from the group chat. He realised he'd been scammed.

Mr S reported the scam to Halifax. Halifax explained they appreciated how the scam must've made him feel, and referred him to appropriate bodies. But they explained they were unable to recover the funds and they didn't think they were liable for Mr S's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr S's representatives asked for an ombudsman's review, so the complaint has 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 S fell victim to a scam, for which he has my sympathy. I appreciate 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 their own scam and the resulting distress, and it's the scammer who really owes Mr S 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 S's loss. I'll explain why.

It's not in dispute that Mr S 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 S's case.

While I appreciate that this was a substantial amount to lose in total, and that the payments were going to crypto sites, I must note that the individual payments were of relatively modest value compared to the sorts of payments that'll stand out to a bank, and they were spread out over the course of several months. They were properly authorised by the genuine customer, from a sufficient balance to accounts in his own name. While this spending was more substantial than what Mr S commonly did, customers do sometimes spend more, not least when investing. Here, the spending was never quite so large or rapid that I'd have expected it to be of particular concern. The payments didn't form a particularly concerning pattern, and Mr S also received credits back. Overall, I'm afraid I don't think the payments involved were quite so remarkable that Halifax needed to intervene in this particular case.

I've then considered what Halifax did to try to recover the money after Mr S told them about the scam. However, as these were card payments to Mr S's own crypto accounts, they were not covered by the CRM Code for scams. It wasn't possible for Halifax to recover the money Mr S had already sent on from those crypto accounts, and any money remaining in his own crypto accounts was still available to him, so there was nothing more for Halifax to do there. There was also no chargeback reason which would've been appropriate here. A chargeback would've been a claim against Mr S's own genuine exchanges rather than the scammer. And the exchanges provided the services they were supposed to. There was no realistic prospect of success for a chargeback, and chargebacks are voluntary, so Halifax didn't need to try one in this case. And I'm afraid there was nothing more that Halifax could've reasonably done to get the money back here.

So while I'm very sorry to hear about what the scammer did to Mr S, I don't think Halifax can fairly be held responsible for his loss. And so I can't fairly tell Halifax to reimburse Mr S 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 S to accept or reject my decision before 19 September 2025.

Adam Charles
Ombudsman