

## The complaint

Mrs A complains about Bank of Scotland plc trading as Halifax.

She says that Halifax didn't do enough to protect her when she became the victim of a scam and would like it to refund her the money she has lost.

## What happened

Mrs A was introduced to a cryptocurrency investment by a friend which turned out to be a scam.

Unfortunately, the scam wasn't uncovered until after Mrs A had made the following payments.

Date	Payee	Payment type	Amount
22 October 2021	P	Faster payment	£2,000
25 October 2021	P	Faster payment	£90
27 October 2021	P	Faster payment	£1
17 January 2022	P	Faster payment	£146.50
5 March 2022	P	Faster payment	£1,240
8 March 2022	P	Faster payment	£1,090
12 April 2022	P	Faster payment	£4,463
26 April 2022	P	Faster payment	£310
26 April 2022	P	Faster payment	£20
27 April 2022	P	Faster payment	£244
27 April 2022	P	Faster payment	£4
29 April 2022	P	Faster payment	£140
24 May 2022	P	Faster payment	£7,915
10 June 2022	P	Faster payment	£690
16 June 2022	P	Faster payment	£10
16 June 2022	P	Faster payment	£10
1 August 2022	P	Faster payment	£450
16 August 2022	P	Faster payment	£1,406.62
16 August 2022	L	Faster payment	£1,406.62
17 August 2022	L	Faster payment	£1,406.62
26 August 2022	P	Faster payment	£6,800
26 August 2022	P	Faster payment	£2,168
30 August 2022	P	Faster payment	£610
30 August 2022	P	Faster payment	£12,230
1 September 2022	C	Debit card	£32.26
7 September 2022	C	Debit card	£5
		<b>Total</b>	<b>£44,832.36</b>

Mrs A also received two credits from P and L of £1,839.54 and £1,376.62.

It has also already been established (and Halifax has accepted) that £12,600.50 was lent to Mrs A by friends to pay into the investment, and not returns received from the scammer.

Mrs A complained to Halifax through a third party about what had happened, she said that Halifax should have done more to protect her from the scam, but Halifax didn't uphold her complaint, so she brought it to this Service.

Our Investigator looked into things and thought that Mrs A's complaint should be upheld in part, with a deduction from the refund as Mrs A hadn't been as careful as she should have been before parting with her money.

Halifax agreed to what our Investigator said it needed to do to put things right – but Mrs A and her third party did not.

As no resolution was reached, the complaint has been passed to me to make a final 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.

Having done so, I agree with the recommendation set out by our Investigator – and I don't think that Halifax needs to do any more than it has already agreed to do. I know this will be disappointing for Mrs A, so I'll explain why.

Our Investigator has already set out in some detail that Mrs A has fallen victim to a scam – Halifax has accepted this, and so this point is no longer in contention – but Mrs A says that Halifax should have done more from the first payment.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Mrs A authorised the payments in question here – so even though she was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Halifax should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Halifax should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common 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.

Halifax has said that it may have flagged the initial payment – but it can't provide evidence of what was done or said at this point – and the interaction may have been a new payee warning. Mrs A and her representatives say that Halifax should refund her from this point, as it can't show what steps it took.

However, like our Investigator, I disagree – I wouldn't have expected Halifax to have made a substantial intervention at this point – the payment wasn't particularly high or unusual enough to have been suspicious, and so in the absence of knowing what happened at this point, I can't say that Halifax missed an opportunity to prevent Mrs A's losses.

Halifax has also shown that it made a further intervention on 5 March 2022 – but on this occasion it has been able to provide a copy of the call that it had with Mrs A. While Halifax did question Mrs A about what was going on, I agree with our Investigator that it could have gone further than it did – and Halifax has accepted this. And so has agreed to refund her from this point her net losses, subject to a deduction for Mrs A's own contribution to her losses.

I do have to consider if Mrs H should also bear some responsibility for what happened here – and like our Investigator, I think that responsibility for the loss should be shared between Mrs A and Halifax on a 50% basis, from the point I think that Halifax should have done more. I say this because I don't think that Mrs A was as careful as she should have been before parting with her money. While I understand that Mrs A was introduced to the investment by a long-time friend, there was a significant amount of information available at the time about the company online which suggested that it may have been operating as a scam. I also think that Mrs A should have had concerns about the rate of return she was promised, which I think were too good to be true.

I also think that had Halifax tried to recover any of Mrs A's funds it would have been unsuccessful in doing so, as we know that the funds were already moved on to the scammer once they were received.

I know that this outcome will be disappointing for Mrs A, however, it is important to remember that the losses she has sustained were not caused by Halifax, but by the scammer.

### **Putting things right**

Bank of Scotland trading as Halifax should refund Mrs A 50% of her net losses from 5 March 2022. On top of this, it should also pay Mrs A 8% simple interest from the date the payments were made until settlement (less any lawfully deductible tax).

**My final decision**

I uphold this complaint in part, Bank of Scotland trading as Halifax should put things right as it has already offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 9 May 2025.

Claire Pugh  
**Ombudsman**