

The complaint

Mr B complains that Bank of Scotland plc trading as Halifax hasn't agreed to refund the money he lost from his account as the result of an investment scam. He thinks that Halifax should have done more to prevent his loss. He wants his losses refunded along with statutory interest and £250 for the distress and inconvenience he has been caused and for Halifax to indemnify him for any legal costs he has to pay as a result of this scam.

Mr B is represented by a third party but for ease of reference I have referred to Mr B throughout this decision.

What happened

Mr B made three debit card payments from his Halifax account to an account with a trading platform.

Payment	Date	Type	Amount
1	5 July 2019	Debit card	£750
2	23 July 2019	Debit card	£4,250
3	26 July 2019	Debit card	£3,000

Mr B said that he received an unsolicited phone call from an individual claiming to be from a company offering an investment opportunity (herein referred to as the scammer). He said the scammer kept in regular contact with him providing updates and instructions on when he should invest. Mr B's representative explained that the scammer instructed him to download a remote access application so they could assist him with setting up various cryptocurrency platforms, although the evidence that's been shared with us doesn't suggest cryptocurrency was involved here. Mr B said he was provided with login details and could see that his trades were initially profiting which encouraged him to invest more. However, one day he logged in and found that all his money had vanished, at which point he realised he had been the victim of a scam.

Mr B believes that his payments should have raised red flags with Halifax, and it should have contacted him before releasing the funds. He said that had this happened he wouldn't have proceeded with the payments.

Halifax said that Mr B contacted it through his representative in August 2024 and it wasn't aware of the issue with the payments until that time. It said that it made no errors in processing the payments in line with Mr B's instructions and the payments were authorised through Mr B's registered device. It explained that these payments weren't covered by the Contingent Reimbursement Model (CRM) as they were made by debit card and that given when the issue was raised, the payments were out of time for a chargeback to be raised.

Mr B referred his complaint to this service.

Our investigator recognised that Mr B had been the victim of a fraud but in this case, they didn't think Halifax should reasonably have been expected to prevent this.

Mr B didn't agree with our investigator's view. He said that Halifax should have identified the payments as unusual activity for his account, noting the value of the payments, that they were to a new payee and that they were for a different purpose to his usual transactions. He said that had Halifax intervened, he would have provided honest answers, and the scam could have been identified.

Our investigator noted Mr B's comments, but these didn't change their view. As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue 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 am sorry to hear that Mr B has been a victim of a scam, but for me to uphold this complaint I would need to be satisfied that given the payments made, Halifax should have done more to intervene, and that had that happened the scam would have been identified and the payments stopped. When making a decision I take all relevant rules, regulations and guidance into consideration and my decision is based on what I consider to be fair and reasonable given the unique circumstances of the complaint.

Mr B has said he was contacted by phone about an investment opportunity and that he set up a new payee for the payments to be made to from his Halifax account. He then authorised three payments from his Halifax account to the new payee in July 2019. Under the Payment Service Regulations 2017, the starting point is that Mr B is liable for the payments he authorised. However, Halifax should have systems in place to look out for out of character or unusual transactions, or other signs that might indicate that its customers are at risk of fraud.

The first payment was for £750. I have looked through Mr B's account statements and while he generally used the account for lower value transactions there were occasions with in the previous six months when transactions above the £750 were made. So, regarding the first payment, I do not think this should have been identified as unusual or that given its size, any intervention was required.

There was then a break of over two weeks before the next payment was made. While this was much larger, £4,250, I still do not think its value in isolation meant that Halifax was required to intervene. Mr B had made other large transactions around this time and the timing of this payment didn't suggest he was under pressure to make payments in quick succession. While it was a large payment, it was to a trading account, and I do not think there was evidence that meant Halifax should have identified that Mr B was at risk of financial harm.

The third payment was for £3,000 so there wasn't an escalation of amounts, and while by this point Mr B had made payments totalling £8,000 in around three weeks, I do not find I have enough to say that a pattern had emerged that meant an intervention was needed. I also note that Mr B has said he was receiving regular updates from the scammer including seeing his investment profits so I think, on balance, had a warning been issued at this point he would likely have continued with the payments. That said, in this case, I do not find that at this stage Halifax was required to take further action.

I have then considered whether Halifax made reasonable efforts to recover Mr B's money when it was alerted to the scam. Halifax has explained that the payments weren't covered by

the CRM, as they were made by debit card, so this route to recovery isn't relevant in this case. The payments were made in July 2019 and Mr B didn't inform Halifax about the issues until 2024. Therefore, while the payments were made by debit card and so a chargeback could have been considered had the issue been raised sooner, the payments were out of time for the chargeback scheme rules. Therefore, I do not find that Halifax was required to do anything further following Mr B notifying it of the scam.

So, while I accept that Mr B has lost money due to being a victim of a scam, in this case, I do not find that Halifax was required to act differently or take further action in regard to Mr B's payments. Therefore, I do not uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 July 2025.

Jane Archer
Ombudsman