

## **The complaint**

Mr J complains that Bank of Scotland plc trading as Halifax won't reimburse him for payments he lost to a scam.

Mr J's complaint is brought by a professional representative but for ease I will refer only to Mr J in this decision.

## **What happened**

The detailed background to this complaint is well-known by both parties. So, I'll only provide a brief overview of some of the key events here.

In late 2020 Mr J was told about an investment merchant by a friend. In January 2021 he decided to start investing with this merchant by sending money to a genuine crypto exchange and forwarding it to the merchant. In total he sent around £80,000 across twenty-two payments over a six-month period. Mr J realised he had been scammed when he read an article in the newspaper about the merchant being a scam.

A claim was raised to Halifax in 2024, but it said it wouldn't be offering Mr J a refund. Mr J was unhappy with that response, so he brought his complaint to the Financial Ombudsman.

Our Investigator didn't think the complaint should be upheld. He said that Halifax intervened and spoke to Mr J three times to ask him why he was making the payments. The Investigator felt Halifax asked reasonable questions, but because Mr J said he was investing in a genuine crypto exchange and his friend had advised him to do it he didn't think Halifax had unfairly allowed the payments to be made.

Mr J disagreed and asked for an Ombudsman's review. He said the payments were unusual and Halifax should've asked more questions which would've uncovered the scam. He said Halifax should've intervened later in the scam and the name of the merchant would've been uncovered and Mr J referred to a live warning on the Financial Conduct Authorities (FCA) website which would've stopped him from making any further payments.

## **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've decided not to uphold it. I know this is not the answer Mr J was hoping for and so this will come as a disappointment. I'm really sorry to hear about the situation he's found himself in, and I can understand why he'd want to do all he can to recover the money he lost. But I need to decide whether Halifax can fairly and reasonably be held responsible for his loss. Overall, I've decided that it can't be. I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board

and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

Halifax stopped three payments between 4 and 8 January 2021 which I think was a reasonable thing to do here. But when it spoke to Mr J, he said that he hadn't received any cold calls or found an investment online. Instead, he said that his friend was assisting him with investing on a genuine crypto exchange. From listening to the calls, I'm satisfied Halifax asked reasonable questions. But it couldn't uncover the scam due to the answers provided by Mr J.

Later on in the scam, it's arguable that Halifax could've intervened again although by that point the crypto exchange had become an established beneficiary. And Mr J made similar sized payments to established beneficiaries before. I note he had made past payments of £16,000 in May 2020, £5,552 September 2020, £10,000 in October 2020, £7,500 and £3,902 in January 2021 (which occurred during the scam). So, the increase in the size of the payments themselves wouldn't be a reason for Halifax to continue to flag Mr J's payments here considering it had already had three conversations with him, and the crypto exchange was an established beneficiary. But even if I was satisfied that Halifax should've intervened again, I don't think that would've made a difference here.

From listening to the calls, Mr J was very clear with Halifax that he was investing on the recommendation of a friend. He didn't say there were any further third parties calling him and telling him to invest when Halifax asked. He said he hadn't received any cold-calls and hadn't found the investment online or social media. In fact, he was clear that it was his friend assisting him (sometimes through screen sharing software on his laptop) to invest his money in crypto on a genuine crypto exchange and he had known that friend for around ten years. I also think Halifax asked reasonable follow up questions about the use of the screen sharing software. But Mr J was clear that it was only his long-term friend who had used the application. Halifax provided scam warnings here, but they didn't resonate with Mr J as he was happy with his decision to invest. So, I don't agree with Mr J that Halifax intervening at a later date and asking further questions would've more than likely led to a discussion about the scam merchant. The reason Halifax asked how Mr J came to know about the investment and whether there was a third-party company involved was so that it could rule out any potential scam merchants and red flags. But Mr J's answers satisfied it that he was making an investment by himself with the assistance of a trustworthy friend. Neither do I agree with Mr J that Halifax didn't provide effective interventions. Based upon the way he answered Halifax's questions I think if Halifax had intervened later in the scam, he would've continued to tell Halifax that his reasons for investing were because of his friend. And that he had known that friend for a very long time.

I note as well that when Halifax stopped one of the payments and spoke to Mr J for a third time he said he hadn't called the bank straightaway because he found it odd that the payments were being stopped for checks. So, he told the bank that the reason for the delay in him calling (over twenty-four hours) was because he made a payment from another one of his accounts with another firm. Mr J was funding the payments by sending money to his Halifax account and said to the bank that he had money in his other accounts. This shows me that at the time of the scam, even when checks, warnings about crypto investments and stops were placed on the account Mr J was happy to send money to the scam from another account. And even when Mr J was having issues making withdrawals in 2022 and 2023, he didn't think he was likely being scammed. I've seen an e-mail from him in May 2023 pleading

for a withdrawal from the scammer and that failure to do so would mean him losing “loyalty in your system”. But it wasn’t until he read in a newspaper that this was a scam when he realised what had happened.

So, I don’t think it’s more likely than not the name of the scam merchant would’ve been uncovered in any later interventions. And it’s likely that Mr J wouldn’t have listened to any further generic warnings from Halifax about crypto investments. He had trust in the friend’s referral – which is explained by him also referring friends to the scam merchant. So, I don’t think any further warnings would’ve likely resonated with him.

### *Recovery*

Mr J made payments to an account in his name at a genuine crypto exchange. He has confirmed this money was then sent to the scam merchant for the investment. So, when the scam was raised there were no further funds to be recovered.

As a result of the above, I’m not going to ask Halifax to do anything more here.

### **My final decision**

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr J to accept or reject my decision before 5 November 2025.

Mark Dobson  
**Ombudsman**