

The complaint

Mr S is being represented by a claims manager. He's complaining about Bank of Scotland plc trading as Halifax because it declined to refund money he says he lost as a result of fraud.

What happened

In October and November 2023, Mr S made a series of payments that he says were lost to a cryptocurrency investment scam. Initially he transferred money to family members who he says invested on his behalf using their own cryptocurrency accounts. Then, once he'd set up his own account, Mr S made payments made four payments to two different cryptocurrency exchanges.

Our investigator didn't recommend the complaint be upheld as she didn't think there was sufficient evidence to show this money was lost to a scam.

Mr S didn't accept the investigator's assessment. His representative said it's clear he purchased cryptocurrency, which should reinforce that he was the victim of a scam. It also said the investigator hadn't addressed the issue of whether Halifax applied adequate fraud detection measures to prevent his loss.

The complaint has now been referred to me for review.

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 reached the same overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

Before I can go on to consider whether Halifax should have identified Mr S was at risk of harm from fraud and intervened in the payment process at any point, I need to see some additional evidence to support his statements that the payments he's referred to were indeed lost to a scam.

In respect of the payments Mr S made to cryptocurrency exchanges, it doesn't automatically follow that these were part of a scam. While we know that many scams do involve the purchase of cryptocurrency, many cryptocurrency purchases are also entirely legitimate. Mr S has provided screenshots that show he purchased cryptocurrency, but they don't show what happened to his money after that, for example if it was moved onto someone else's account and subsequently lost. The investigator did ask Mr S's representative to obtain

statements from the exchanges that would show this information, but we're told he's unable to obtain this information.

In respect of the payments to family members, no evidence has been provided to show what happened to Mr S's money after they received it. So it's not been possible to establish it was indeed used to purchase cryptocurrency or lost to a scam.

The investigator also asked Mr S's representative to obtain any further evidence he has to show this money was lost to a scam, for example any communications with the scammers. Unfortunately, it's told us that Mr S only communicated with the scammers using their app, which has now been closed. I understand he was also added to a WhatsApp group with other '*investors*' but apparently the chat history was deleted and is no longer available.

The only other evidence that has been provided is a screenshot that's said to be from the fake account. But unfortunately, this doesn't include a company name to confirm it was an account controlled by the scammers or any personal information to show the account was in Mr S's name.

On a personal level, I don't doubt Mr S's account that he's been the victim of a cruel scam and I'm sorry he lost this money. But to reach a decision that requires the bank to refund his money, I do need to see additional supporting evidence to establish (on the balance of probabilities) that this was the case. The investigator has explained this to Mr S's representative and outlined the sort of additional evidence he could provide to demonstrate his loss. Unfortunately, nothing has been forthcoming that I believe is sufficient for me to find in his favour on this point.

I realise the outcome of this complaint will come as a great disappointment but, in the absence of sufficient evidence to demonstrate the payments were lost to a scam, I won't be telling Halifax to reimburse any of the disputed payments.

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 S to accept or reject my decision before 14 May 2025.

James Biles
Ombudsman