

The complaint

Mr and Mrs G complain that Bank of Scotland plc trading as Halifax (Halifax) is refusing to refund them the amount Mr G lost as the result of a scam.

Mr and Mrs G are being represented by a third party. To keep things simple, I will refer to Mr and Mrs G throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr G has told us that he found an advertisement for cryptocurrency investment with a company I will call "X" via social media. Mr G completed a data capture form and was later contacted by a representative of X.

Mr G has told us that he searched X, and X's representative online and was unable to find any negative information that would have caused him to have concerns he was not dealing with a legitimate company.

X explained the investment and Mr G agreed to invest. Mr G had access to X's platform which appeared to show his deposits, investments and profits. Mr G says he received a small return which encouraged him to invest more.

But when Mr G attempted to make a withdrawal from his investment, he was met with various excuses why a withdrawal could not be made without making more payments first. Despite making the additional payments Mr G was still unable to make a withdrawal from the investment and realised he had fallen victim to a scam.

Mr and Mrs G have disputed the following payments made from their Halifax account in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	27 August 2024	Mr G	Transfer	£3,500
2	4 October 2024	Mr G	Transfer	£4,000
3	7 October 2024	Mr G	Transfer	£3,700
4	8 October 2024	Mr G	Transfer	£150
5	9 October 2024	Mr G	Transfer	£6,600
6	10 October 2024	Mr G	Transfer	£7,000
7	11 October 2024	Mr G	Transfer	£12,500
8	14 October 2024	Mr G	Transfer	£13,000
9	16 October 2024	Mr G	Transfer	£17,800
10	23 October 2024	Mr G	Transfer	£15,700

Our Investigator considered Mr and Mrs G's complaint and didn't think it should be upheld. Mr G disagreed, so this 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.

It has not been disputed that Mr G has fallen victim to a cruel scam. The evidence provided by both Mr G and Halifax sets out what happened. What is in dispute is whether Halifax should refund the money Mr and Mrs G lost due to the scam.

Recovering the payments Mr G made

Mr G made payments into the scam via transfer. When payments are made by transfer Halifax has limited options available to seek recovery.

Mr G made the disputed transfers to an account that were held in his own name, and it took further steps for those funds to end up in the hands of the scammer. If any funds did remain in the accounts Mr G made the disputed payments to, they would remain within Mr G's control and not require recovery.

With the above in mind, I don't think it was unreasonable that Halifax did not recover the disputed payments.

Should Halifax have reasonably prevented the payments Mr G made?

It has been accepted that Mr G authorised the payments that were made from his account with Halifax, albeit on X's instruction. So, the starting point here is that Mr G is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Halifax should have been aware of the scam and intervened when Mr G was making the payments. And if it had intervened, would it have been able to prevent the scam taking place.

Although the payments Mr G made from his Halifax account were being made to other accounts in his own name, and as such came with a lower risk due to him remaining in control of the funds when they reached the recipient account, the values of the payments were still significant and I think that when Mr G made the larger payments Halifax should have had concerns that Mr G may have been at risk of financial harm and it should have intervened.

I think that a proportionate intervention would have been for Halifax to have asked Mr G a series of questions to understand the background leading to the payment and to provide an appropriate warning. But I don't think an intervention at any time throughout the scam would have made a difference. I will explain why.

Mr G made the disputed payments to accounts in his own name and eventually made payments from another of his accounts to purchase cryptocurrency that was forwarded as part of the scam. When he made those payments Mr G's other account provider did intervene on multiple occasions.

When Mr G's other account provider intervened Mr G gave incorrect information in response to the questions it asked and continued with making those payments despite receiving several warnings that I think should have caused Mr G to have concerns.

Mr G also funded his payments by taking out multiple loans with multiple different lenders. Mr G has confirmed that he wasn't honest when he applied for the loans and told lenders that the purpose of the loans was for home improvements.

Mr G has confirmed that he took guidance from X when making the disputed payments.

I don't have enough to say that Mr G would have provided any more honest answers had Halifax intervened further than it did. Providing false information would have made it extremely difficult for Halifax to uncover the scam that was taking place.

With the above in mind, I don't think Halifax missed an opportunity to prevent the scam and it is not responsible for Mr and Mrs G's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 27 October 2025.

Terry Woodham
Ombudsman