

The complaint

Mr R complains that Bank of Scotland plc (trading as Halifax) won't refund payments as a result of a scam.

What happened

Mr R was the victim of an investment scam. Further to seeing an online advert, he was duped by a fraudster posing as working for a company I'll refer to as 'B'. Between December 2023 and January 2024, they persuaded him to send three payments for £2,000.00 each via legitimate crypto exchanges from his Halifax account, under the guise they'd be invested on B's platform. Mr R later found that the platform and investment was fake, and the money went to fraudsters.

Mr R later raised a complaint with Halifax – that it ought to have done more to protect him from the scam. Halifax didn't uphold it, referring to how the evidence shows Mr R made the payments.

Unhappy with this response, Mr R brought his concerns to us to investigate. I shared my provisional thoughts that I considered Halifax ought to have been concerned with these payments and should, therefore, refund them. As Halifax disagreed, it's come back 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 this, with careful consideration to Halifax's response, I've not changed my mind about what's a fair outcome to this complaint. I'll explain my reasons:

- It's accepted that Mr R was the victim of a scam – and, while I note the initial disagreement, I'm satisfied that the payments would be regarded as authorised for the purposes of the Payment Services Regulations 2017.
- While this means Mr R is presumed liable for the payments in the first instance, I've also considered that Halifax ought fairly and reasonably to have been on the lookout for signs of fraud. And in the circumstances of the payments here, I think it ought to have been concerned that Mr R was at risk of falling victim to a scam – and stepped in before they were made.
- In saying that, I've paid particular attention to the evidence that Halifax detected 'malware' a few weeks before the payments were made (which was seemingly when the investment scam started) and again when the first and final disputed payments were made. Halifax has explained that this might refer to the use of remote access software, something that's commonly seen in investment scams.
- I recognise that it's not conclusive evidence he was falling victim to a scam. But, I've

also considered that the payments were related to cryptocurrency, which tends to carry an elevated risk of fraud (and, in particular, investment scams). So, when coupled together, I think Halifax ought to have recognised that Mr R was at risk of fraud from the first payment.

- In deciding this, I've considered Halifax's objection that its online banking log shows potential malware, but this isn't used as a flag for intervention, so it shouldn't be taken into account. But regardless of what Halifax practically does, it remains that this was information available to it – and bearing in mind its obligations to prevent foreseeable harm to Mr R, I think it ought to have pieced this all together to conclude that he was at risk.
- I've gone on to consider how Halifax ought to have responded to this concern. I'm persuaded that the circumstances warranted a conversation with Mr R from the first payment he made as part of the scam. Or, at the very least, it ought to have provided an automated warning that narrowed down the scam risk by asking him a series of questions.
- Had this have happened, I think it's likely the scam would've been stopped in its tracks. That's considering that I've not seen persuasive evidence Mr R was being coached by the fraudsters and, therefore, wouldn't have been forthcoming with Halifax about the circumstances of the payments. And I think it would've been apparent he was a victim of a cryptocurrency investment scam – for example, there was a broker supposedly acting on his behalf, and they asked him to use remote access software.
- So I think Halifax would've been in the position to have warned him clearly – and I think he'd have taken heed of it and not gone ahead with the payment. Afterall, this wasn't money he had to lose, and I've noted how he stopped making payments after he'd suspicions surrounding the withdrawal process – something that suggests to me that he wasn't so taken in by the scam to have made a warning ineffective.
- It follows that Halifax ought to put things right here – by refunding his losses from the payments, alongside 8% simple interest per year for the time he's been out of pocket.
- I've finally considered whether Mr R should share the blame for what happened, by way of contributory negligence. I've noted he didn't research the company before he invested, but even if he did, it doesn't seem there was much information about them at the time (the Financial Conduct Authority warning and most of the negative reviews came after he invested). And, on the whole, I can see how he was taken in by the broker and the sophistication of the fake investment platform.
- I've also noted that Mr R invested modestly using another account at first and continued with these payments when his investment appeared to grow. But it appears he stopped when he couldn't withdraw his profits and became suspicious of the broker. Taking this all into account, I don't find that Mr R's actions fell below what I'd expect of a reasonable person – so I've not reduced the award.

My final decision

For the reasons I've explained, I uphold Mr R's complaint. Bank of Scotland plc trading as Halifax must:

- Refund Mr R's losses from the disputed payments, which I understand to be

£6,000.00

- Pay 8% simple interest per year on this amount, from the dates of the payments to the date of settlement (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 18 September 2025.

Emma Szkolar
Ombudsman