

The complaint

Mr H complains that Bank of Scotland plc, trading as Halifax ('Halifax'), won't refund him the money he lost after he fell victim to an Authorised Push Payment ('APP') scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around July 2024, Mr H came across what he believed was a genuine job opportunity. He believed that the job entailed helping developers optimise their apps. In order to receive his pay/salary, Mr H opened a cryptocurrency wallet as instructed. Believing everything to be genuine Mr H proceeded, but unknown to him at the time, he had been contacted by fraudsters. The fraudsters then persuaded Mr H to pay his own money in order to proceed with the work.

To facilitate the payments, Mr H used his debit card to top up his cryptocurrency wallet with fiat funds. He then transferred the funds into cryptocurrency, and it was subsequently moved onto accounts that the fraudsters controlled. After making two payments, Mr H received £75 back into his cryptocurrency account which he then sent back to his Halifax account.

In total, Mr H made – and received – the following payments as part of the scam;

	Date	Time	Amount	Payee/Merchant/Recipient
1	26 July 2024	7.12pm	-£32.46	Mr H's Cryptocurrency wallet/provider
2	27 July 2024	6.27pm	-£52.79	Mr H's Cryptocurrency wallet/provider
3	29 July 2024	N/A	+£75	
4	30 July 2024	3.12pm	-£0.10	Mr H's Cryptocurrency wallet/provider
5	30 July 2024	3.12pm	-£617.94	Mr H's Cryptocurrency wallet/provider

Mr H realised he'd been scammed when he was asked to pay further sums of money to clear the negative balance on the platform in order for him to proceed with more work.

Mr H raised the matter with Halifax, but it didn't uphold his complaint and didn't consider it was liable to reimburse Mr H.

Unhappy with Halifax's response, Mr H brought his complaint to this service. One of our Investigator's looked into things, but didn't think the complaint should be upheld. In summary, she didn't think Halifax missed an opportunity to identify that the payments were being made in relation to a scam or that Mr H was potentially at risk of financial harm from fraud. She also didn't think there was anything Halifax could have done to recover the funds as the merchant had carried out its services in converting the funds to cryptocurrency from which they were then sent on.

Mr H didn't agree with our Investigator's view. As agreement couldn't be reached, the complaint has been passed to me for 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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having thought very carefully about Halifax's actions, I'm not upholding Mr H's complaint. I do appreciate how disappointing this will be for him. Mr H was a victim of a scam and thought he was dealing with a genuine company whereby he could earn additional income. But in weighing everything up, I don't think I can fairly say Halifax should reimburse him. I'll explain why.

The relevant law and regulations in place at the time

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

It is agreed by all parties that Mr H made the payments. So, it is the case that Mr H authorised the payments that are in dispute. And under the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr H is responsible for them. And that remains the case even though Mr H was the unfortunate victim of a scam.

However, there are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Halifax) should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams.

What does this mean for Mr H?

In this case, I need to decide whether Halifax acted fairly and reasonably in its dealings with Mr H when he made the payments, or whether it should have done more than it did.

I've thought about this carefully. Having done so, I can't fairly say any of the payments Mr H made would (or should) have alerted Halifax that Mr H was potentially at risk of financial harm, to an extent whereby it should have carried out some additional checks before processing the payments. So, I don't consider there was a failing here that would lead me to say that Halifax are liable for the losses Mr H incurred. I'll explain why.

I have to be mindful that banks process a high volume of transfers and transactions each day. And a bank has to strike a balance as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests.

Here, I don't consider there is anything unusual or remarkable about the payments or the amounts that ought to have alerted Halifax to the possibility Mr H was being scammed or was at the potential risk of financial harm from fraud. And there weren't multiple payments made on the same day or in very quick succession which can often be an indicator that a customer is potentially at risk. So, I don't think the amounts or pattern of payments would have led Halifax to be concerned that Mr H was at risk of financial harm from fraud – and not to an extent whereby I would expect Halifax to carry out some additional checks on the payments.

While the payments were identifiably going to a cryptocurrency exchange provider – that in and of itself doesn't automatically mean that Mr H was potentially falling victim to a scam. It is a genuine cryptocurrency exchange/wallet provider. And while cryptocurrency scams are prevalent, not all payment to cryptocurrency exchange providers are as a result of a scam. And here Mr H had authorised the payments to it. So, Halifax were satisfied that Mr H was making the payments and that they were going to an account in Mr H's name. And given the amounts weren't so remarkable and there wasn't a suspicious pattern such as multiple, rapid and or increasing amounts, I don't find it ought to have given Halifax cause for concern that Mr H was at risk.

So, all things considered; I don't think it was unreasonable that the payments didn't flag as suspicious – and I can't say Halifax acted unfairly by not carrying out any additional checks.

Recovery of the funds

I have also considered whether Halifax did all it could to try and recover the money Mr H lost. Due to the nature of this type of scam, with Mr H making a card payment to a genuine cryptocurrency merchant (who carried out the service albeit with the fraudster receiving the benefit) it unfortunately meant there wasn't anything further Halifax could do to help Mr H recover his funds such as through a 'chargeback', as there was no prospect of success. This is because the 'chargeback' would be against the merchant – and here the merchant had legitimately carried out its service of receiving the fiat funds which were then subsequently converted into cryptocurrency and sent on. So, the merchant would have reasonably defended any chargeback raised against it.

Summary

While I appreciate Mr H has been the unfortunate victim of a cruel scam, I think Halifax's decision not to refund him in this instance was fair and reasonable in the circumstances. I say this because Halifax followed Mr H's instructions to make the payments, and I haven't seen any reason why it shouldn't have done this. And unfortunately, there wasn't anything further Halifax could do to help Mr H recover the card payments, such as through a 'chargeback', as there was no prospect of success given the nature and purpose of the payments Mr H made, meaning it would have successfully been defended by the merchant.

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 H to accept or reject my decision before 19 December 2025.

Matthew Horner
Ombudsman