

The complaint

Mr W complains that Bank of Scotland plc trading as Halifax (Halifax) won't refund him money he lost in an investment scam.

Mr W is being represented by a professional representative but for ease of reading, I'll mainly refer to Mr W.

What happened

The circumstances surrounding this complaint are well-known to both parties, so I won't repeat them in detail here and will focus on what I consider to be the key events.

Mr W says he and his partner saw an advertisement for an investment company on a popular social media platform. Most of the communication that followed with the scammers was with Mr W's partner, but he says his partner was communicating on his behalf. His partner was contacted over a popular messaging platform, given further details and added to a chatgroup. They were given advice and information about investments and after some months, Mr W's partner agreed to invest through the investment company.

Mr W made payments from Halifax to his cryptocurrency account and then sent cryptocurrency on to the investment company. He made the following payments as part of the scam:

Date	Amount	Payment type	Destination
03/07/2024	£24,000	Faster payment	Own cryptocurrency account
04/07/2024	£25,000	Faster payment	Own cryptocurrency account
10/07/2024	£25,000	Faster payment	Own cryptocurrency account
29/07/2024	£25,000	Faster payment	Own cryptocurrency account
29/07/2024	£25,000	Faster payment	Own cryptocurrency account
30/07/2024	£15,000	Faster payment	Own cryptocurrency account

Mr W realised this was a scam after he was told he needed to make payments in order to pay fees and commission and having paid them, was asked to pay further amounts.

Mr W says Halifax's interventions were inadequate. He was only asked two questions, he answered Halifax's questions honestly and if Halifax had asked some simple questions from the outset, his losses could have been prevented.

Halifax says it intervened on the first and second payments, but Mr W didn't answer its questions honestly and this prevented it from uncovering the scam.

Our investigator didn't uphold Mr W's complaint. She thought Halifax had asked probing questions and provided warnings, but Mr W hadn't answered its questions accurately and so she didn't think further intervention would have resulted in a different outcome.

Mr W says Halifax didn't ask him about the ultimate destination of his money even though he

told it he was sending it to an investment account. It didn't ask if anyone else was involved. He was honest with Halifax and it should have invoked the banking protocol due to the size of the transactions.

As Mr W didn't accept the investigator's assessment, his complaint has been passed to me for an ombudsman's 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.

In this case the Contingent Reimbursement Model (CRM) Code does not apply because the transactions were made from one account controlled by Mr W to another account also controlled by him.

In broad terms, the starting position in law is that a bank such as Halifax is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But taking into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I agree Halifax ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Halifax did make some additional checks. It intervened on 3 July 2024 by blocking a payment and arranging a call with Mr W. I've listened to a recording of that call. In the call Mr W was asked a number of questions about the payment. Halifax asked the payment purpose and for an overview of what it was for. It established that it was for an investment in cryptocurrency. Mr W did say it was a payment to an investment account and thinks Halifax should have probed further to ask about the ultimate destination. Halifax would certainly have known about multistage fraud by that point so this might have been a possible line of questioning, but in the context of the conversation it sounded like Mr W was referring to the cryptocurrency account as the investment account, rather than a separate account that funds were going to be moved on to.

It asked how long he had been investing in cryptocurrency and it asked whether he sought advice or guidance about his investments. Mr W responded that he had been investing for around four years and invested quite regularly. That was partly accurate, because I understand he had invested in cryptocurrency before, but not for around two years. He also said that he did talk about investments to people he knew. This prompted Halifax to ask whether he had ever contacted anyone over social media for advice about investments. He answered no but said he spoke to friends about investments. The recording is a little indistinct at this point but it sounds like he says "...and people who work with" or "and people who work with it". Mr W's representative says it is the latter and this should have caused concern, as Mr W was suggesting he spoke to people who work with cryptocurrency and further probing would have uncovered the scam. I don't agree. I find the context was clear and Mr W suggested he wasn't receiving advice and guidance on investments from people over social media. This was only accurate in the sense that it was his partner who was receiving the advice over social media and passing it on to him. Halifax warned him at this point, about people claiming to be experts, encouraging people to invest in platforms under their guidance and then customers not being able to obtain their investment returns.

On balance, I find that Halifax did ask probing questions. It didn't accept Mr W's answers at face value and it asked suitable follow-up questions. It also provided relevant warnings about situations which more or less reflected the scam that Mr W was falling victim to. I find that Mr W's answers in the key interaction about whether he had received advice or guidance over social media were not accurate – it is clear guidance was being provided over a popular social media messaging platform. And as he didn't tell Halifax about the investment advice he was receiving over social media, I'm not persuaded he would have told it that the ultimate destination was another investment company.

Mr W also suggests the banking protocol should have been invoked. I have considered this and while the transactions were large in size and six transactions took place within one month, Mr W made other large payments from that account, for example he made a payment of over £20,000 on 1 July 2024. There was also no indication of coercion, or inconsistent information being provided by Mr W and no suggestion of outside contact or pressure being applied. In the circumstances, I'm not persuaded Halifax acted unreasonably by asking Mr W a series of questions, by telephone, rather than requiring him to come into branch or take other steps.

There was a further call on 4 July 2024 when Mr W next attempted a similar sized payment. The call was not nearly as detailed or probing. The payment purpose was established and some questions were asked about how often he invested in cryptocurrency, when the last investment had been made and how he normally made the payments. I consider the call could have been better, with clearer warnings but there is nothing that leads me to conclude Mr W would have answered any questions from Halifax any more accurately than he had the day before.

Overall, I'm not persuaded that further or better intervention would have made a difference. Halifax warned Mr W about scams similar to the one he was falling victim to and it asked whether he had received any guidance from someone over social media, to which he answered no. If he had answered yes, I consider it likely Halifax would have uncovered the scam.

Recovery

Since Mr W made payments from Halifax to his own cryptocurrency account and all the payments were correctly paid and received, there was no scope for Halifax to recover the funds from Mr W's cryptocurrency provider.

My final decision

I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 October 2025.

Greg Barham
Ombudsman