

## **The complaint**

Mr A complains that Bank of Scotland plc trading as Halifax (“Halifax”) has failed to refund the money he says he lost to an investment scam.

## **What happened**

Both parties are familiar with the details of the scam, so I will provide only a summary here. Mr A says he was introduced by a friend to a crypto investment firm that I will call B.

Mr A says he subsequently sent funds, initially via a friend, to B. These transactions seem to have occurred between February 2021 and May 2021. Then there was a series of transactions that were sent to two crypto exchanges between January 2022 and February 2022.

Mr A says he received some funds back from his “investment”. He says he was then unable to make any further withdrawals. My understanding is that since then, B has collapsed. It was widely reported online that B was running a Ponzi style scheme. More recently, the founders of B have been charged with fraud.

Mr A says that the first set of payments were sent to a friend and he did not want to affect his friend’s account. So Mr A only wanted Halifax to investigate the second series of payments. Halifax did not uphold this complaint.

Our investigator did not uphold the complaint. He did not think that Mr A had sufficiently demonstrated that the second series of payments were linked to B.

Mr A did not agree, so the complaint was passed to me to issue a decision.

I should highlight that as Mr A has specifically said he only wants to complain about the second series of payments, I will only be addressing those payments in this 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.

The starting point is that Mr A is generally liable for payments that he’s authorised. And, as the Supreme Court has reiterated in *Philipp v Halifax Bank UK PLC*, banks generally have a contractual duty to make payments in compliance with the customer’s instructions. It is not for the bank to concern itself with the wisdom or risk of its customer’s payment decisions.

There’s no dispute here that Mr A authorised the payments he made so he is liable at first instance. However, that isn’t the end of the story. The relevant regulations and industry guidance makes it clear that banks should fairly and reasonably be monitoring accounts in order to protect consumers from the risk of financial harm, including fraud and scams. But the expectation to warn customers of the risk of such financial harm will only reasonably have been engaged if there were sufficient grounds for suspecting the payee was a fraudster.

Mr A says he has been the victim of a scam and that Halifax ought to have intervened on the payments he is now disputing. I've considered the evidence available, but I can't fairly conclude that Mr A has been the victim of a scam in relation to the payments he has complained about. So, even if I were to conclude that Halifax had done something wrong, I can't reasonably conclude that this caused Mr A to suffer a financial loss.

Mr A hasn't been able to sufficiently evidence that he made the specific disputed payments as the result of a scam. The payments go to a genuine cryptocurrency provider, and Mr A doesn't dispute that he received the cryptocurrency in exchange for the payments. But Mr A has not provided evidence that he sent these funds from his crypto wallet to the scammer. And he hasn't been able to show any link between these specific transactions and a scammer.

I note that he has provided screenshots of somebody getting receipts for payments to B. But these receipts are from before the payments being complained about. And Mr A hasn't provided evidence of the payments he has complained about being received by B. So they are not sufficient to demonstrate that the payments that Mr A is disputing are related to the scam.

So overall, as I haven't seen persuasive evidence Mr A made these payments due to being the victim of a scam, I don't find there are any grounds to uphold this complaint.

I appreciate this will likely come as a disappointment to Mr A. However, in the circumstances, I do not consider it would be fair and reasonable to hold Halifax liable for his loss.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 June 2025.

Charlie Newton  
**Ombudsman**