

The complaint

Mr C has complained that Bank of Scotland plc (trading as Halifax) won't refund the money he lost in what he says was a scam.

What happened

In February 2022, Mr C made two payments from his Halifax account to his accounts at two cryptocurrency exchanges. This totalled around £28,000.

Halifax questioned Mr C about this at the time, and his other bank did the same for a related payment he made from his other account. Mr C said he was an experienced investor who'd done his own research, no one was acting as a broker or advisor for him, he wasn't in contact with anyone about this, no one had asked him to make any particular payments or use any particular platforms, and no one had promised any guaranteed returns or offers which seemed too good to be true. Mr C was warned about crypto investment scams, and was happy to proceed.

In late 2024, Mr C complained to Halifax via representatives, saying he was scammed. He said he saw an advert on social media and joined a chat where someone acted as a broker and gave him investment advice. They advised he buy a particular crypto asset, promising unlimited passive returns forever, such that he could quit working and live off the returns. On their instructions, Mr C bought a particular crypto asset on a particular platform. But after some months, the value dropped to zero, so he reckons it was a scam. He didn't have any evidence of any contact with the alleged scammer, nor of where he'd sent his crypto.

Halifax didn't think they were liable for Mr C's alleged loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr C's representatives asked for an ombudsman's review, so the 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.

While I'm sorry to hear that Mr C might have lost money, it's not clear whether he did fall victim to a scam here. There is a high legal threshold or burden of proof to conclude that someone was intentionally trying to commit fraud; as opposed to – for example – running a high-risk crypto asset or managing an asset poorly. And while I do appreciate Mr C's concerns around what happened, I've not been given any reliable evidence of who he was even talking to, let alone what was said, let alone any documentary evidence of a scam. So I don't have much of anything to substantiate that anyone set out to defraud him, or that his payments benefitted the person he was allegedly speaking to. For all I know, someone just gave him bad advice and didn't actually benefit themselves, or Mr C just did this on his own. Given that crypto assets regularly fail, and given the lack of reliable evidence to substantiate any scam here, it seems likely and plausible that this was just a failed investment.

Even more importantly, I don't have sufficient evidence that Mr C actually suffered any loss here. Mr C's representatives have provided evidence of him paying money into his crypto wallet, buying crypto, and sending it somewhere. But they've not provided any records of contact with the alleged scammer, nor any documents he received from them, and so on. So I don't have any evidence of Mr C being told to send crypto in relation to a scam, nor of where he did send his crypto to. For all I know, he might've sent it to another wallet of his own where it's still available to him, or to a friend, or to someone who provided goods or services he purchased, and so on. We cannot, as his representatives suggested, simply take Mr C's word for it, not least when he was repeatedly untruthful with his banks regarding this matter. It would be unfair and unreasonable to hold Halifax liable for a loss where there's no reliable evidence which actually substantiates that any loss occurred. The representatives' suggested approach would allow customers to simply send their crypto to another wallet of their own then claim they were scammed.

So I don't seem to have sufficient evidence that Mr C was scammed, or that he suffered any relevant loss here. Which would mean there'd be no scam loss for Halifax to potentially be held liable for.

With that said, even if I were to conclude that this was a scam, and that Mr C suffered a loss – despite the evidence not supporting this – I'm afraid I still couldn't reasonably hold Halifax responsible for that alleged loss. I'll explain why.

It's not in dispute that Mr C authorised the payments involved. So although he didn't intend for the money to end up being lost in what he now says was a scam, under the Payment Services Regulations he is liable for the loss in the first instance. And broadly speaking, Halifax had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Halifax should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. Of course, a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. These were unusually large payments going to crypto sites, so I'm glad to see that Halifax did intervene. It's arguable that Halifax should've intervened one payment earlier, and that they could've asked more open or probing questions. I've thought carefully about whether further intervention was likely to have made a difference here.

Mr C spoke not just to Halifax, but also to his other bank about another payment towards this same cryptocurrency investment. His conversation with his other bank is relevant in assessing his actions and assessing what would've likely happened with further intervention. So it's both fair and reasonable that I take it into account.

Over the course of those calls, Mr C consistently misled his banks about the matter. For example, he misled them about the involvement of the alleged broker/advisor, about not being in contact with anyone regarding this, about not being asked to make any particular payments or use any particular platform, about not being promised guaranteed returns or returns which might seem too good to be true, and apparently about his experience level and the research he'd done. His false story reassured his banks, and was the primary reason why they couldn't reasonably uncover any scam (assuming this was a scam).

Mr C's story was plausible, simple, and consistent, meaning Halifax were unlikely to be able to find out he was being untruthful. Mr C's representatives said Halifax should've probed further into why he'd sent money from his other bank account to Halifax, then from Halifax to his crypto account, rather than just sending it from his other bank account to the crypto account directly. But elsewhere, the representatives said he'd done so because at that time it was his Halifax account which was linked to the relevant crypto exchange, so he had to make the payments from there. So that line of questioning was unlikely to reveal any scam.

So Mr C was so determined to put these payments through that he misled not just one bank, but two. He gave a consistent and plausible story which was difficult to reasonably unravel. And he also ignored relevant warnings. Given all of that, it seems most likely that further intervention would not have uncovered a scam or dissuaded him from going ahead.

Lastly, I've considered what Halifax did to try to recover Mr C's money after he told Halifax he thought this was a scam. But as Mr C had sent the money to his own crypto wallets and then forwarded it on, it wasn't possible for Halifax to get it back. And as these were payments to crypto accounts in Mr C's own name, they were not covered by the CRM Code for scams either. So there wasn't anything more that Halifax could've reasonably done there.

So while I'm sorry to hear about the money Mr C may have lost, I don't think Halifax can fairly be held responsible for those alleged losses. And so I cannot fairly tell Halifax to reimburse Mr C in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 August 2025.

Adam Charles
Ombudsman