

The complaint

Mr W complains that Bank of Scotland plc trading as Halifax (Halifax) is refusing to refund him the amount he lost as the result of a scam.

Mr W is being represented by a third party. To keep things simple, I will refer to Mr W throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr W was looking to make investments in cryptocurrency and commented on a social media post. Mr W then received a message from an individual I will call "X". Mr W says X appeared professional and directed him to several investment websites which all looked genuine.

X appeared to trade on Mr W's behalf but when he attempted to make withdrawals from the investments, he was faced with having to make further payments first in relation to fees and taxes. Eventually Mr W realised he had fallen victim to a scam.

Mr W has disputed various payments made in relation to the scam from his Halifax account to genuine cryptocurrency exchanges. The payments were made between 10 February 2021 and 30 September 2022, and while I have considered all the payments, more than 200 were made so I have not listed them all here. The payments range in value from £10 to £6,000 and were made via the method of transfer.

Our Investigator considered Mr W's complaint and didn't think it should be upheld. Mr W disagreed, so this 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.

It has not been disputed that Mr W has fallen victim to a cruel scam. The evidence provided by both Mr W and Halifax sets out what happened. What is in dispute is whether Halifax should refund the money Mr W lost due to the scam.

Recovering the payments Mr W made

Mr W made payments in relation to the scam via transfer. Although Mr W didn't make payments to the scammer directly, instead he made the payments to genuine cryptocurrency exchanges in exchange for cryptocurrency. As there is no dispute that cryptocurrency was provided to Mr W in exchange for his payments, and it took further steps for the funds to end up in the hands of the scammer, any attempt to recover those payments would have no prospects of success.

Should Halifax have reasonably prevented the payments Mr W made?

It has been accepted that Mr W authorised the payments that were made from his account with Halifax, albeit on X's instruction. So, the starting point here is that Mr W is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Halifax should have been aware of the scam and intervened when Mr W was making the disputed payments. And if it had intervened, would it have been able to prevent the scam taking place.

I think it could be argued that there were multiple occasions where Halifax could have intervened when Mr W was making payments in relation to the scam. But Halifax did speak to Mr W on more than one occasion when he made the disputed payments.

On 14 May 2021 a conversation between Mr W and Halifax took place. Mr W confirmed he had previously been scammed. He had since carried out his own research and was trading independently. He would not be making any other payments on the request of the scammer.

On 8 September 2022 (more than a year later) another conversation between Mr W and Halifax took place. He again confirmed he had previously fallen victim to a scam around a year before and that he was now doing his own investments rather than "giving it to someone else to do".

Despite the incorrect information Mr W gave to Halifax he has disputed payments made in relation to the scam that happened after each conversation took place more than a year apart and confirmed those payments were related to the scam.

Even if Halifax had intervened further than it did, I don't have enough to say that Mr W would have been any more honest when speaking to it. I think that Mr W, as he did on two other occasions, would have explained again that he was carrying out his own investment by himself.

Providing incorrect information would and did make it extremely difficult for Halifax to uncover the scam that was taking place. As I don't have enough to say that Mr W would have provided more honest answers had Halifax intervened further, I don't think Halifax missed an opportunity to prevent Mr W's loss and it doesn't need to refund him for it.

Mr W says that his initial change in spending habits should have prompted Halifax to intervene sooner, and had it done so it would have prevented the scam. But I don't think the smaller payments Mr W made at the beginning of the scam were of values high enough to have caused Halifax concerns, and as I have explained above, even if Halifax were to have intervened further than it did, I don't have enough to say it would have made a difference. So, Mr W's comments don't change my decision.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12 December 2025.

Terry Woodham
Ombudsman