

## **The complaint**

Mr M complains about the actions of Bank of Scotland plc trading as Halifax when he lost money to a scam.

Mr M is being supported by a legal representative but, for ease of reading, I'll only refer to Mr M.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Around August 2023 Mr M came across an advert by a merchant (scammer) on social media about an investment opportunity. He was contacted via messaging services and began communicating with whom he thought were genuine traders. After conducting his own research, he decided to start investing. Between August 2023 and August 2024 Mr M made eighteen payments to a variety of payment service providers, trading platforms and a genuine crypto exchange. In total he lost around £7,717.48 after taking into account some credits back into his Halifax account.

In November 2024 Mr M realised he had been scammed when he complained to the scammer about his suspicion that his money hadn't been invested and he was subsequently blocked from the scammer's platforms. So, he made a complaint to Halifax to ask it to refund his money. Halifax considered the complaint but said it hadn't done anything wrong here, so it didn't offer Mr M a refund. Mr M remained unhappy with that response, so he brought his complaint to this service.

Our Investigator didn't think the complaint should be upheld. She said that the payments weren't sufficiently unusual for Halifax to have intervened. Nor did she think there were any reasonable grounds to try and recover Mr M's money.

Mr M disagreed and asked for an Ombudsman's review. He said that the payments were a lot of money for him and should've been considered unusual enough for Halifax to have intervened. And if it had the scam would've been uncovered.

## **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.

Having done so, I've reached the same conclusion as our Investigator, and for largely the same reasons. I'm sorry to hear that Mr M has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board

and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

It's common ground that Mr M authorised the scam payments of around £9,417. I accept that these were authorised payments even though Mr M was the victim of a scam. So, although it wasn't his intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr M is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Halifax to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

Halifax' first obligation is to follow the instructions that Mr M provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect Halifax to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect Halifax to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for Halifax to refuse to follow the instruction if there are good grounds to believe it is being made as a result of a fraud or scam.

So, the starting point here is whether the instructions given by Mr M to Halifax (either individually or collectively) were unusual in relation to his typical account activity. I've reviewed the account statements from the previous twelve months before the scam payments. The account was typically well-maintained ranging from a balance of a hundred to a few thousand pounds. I've noted that there were also larger sized genuine payments in the previous twelve months and whilst the scam was taking place. These ranged from £2,230 up to £14,947.

So, in terms of the amounts Mr M was sending here, I don't think the value of the scam payments would've been considered unusual to Halifax. Mr M had sent larger payments before on his account. I note some of those payments may have been going to established beneficiaries, but they are still considered previous account activity. So, although I appreciate this is a big loss of money to Mr M, that doesn't automatically mean that Halifax should've stopped some of these payments.

I note the payments to the scam took place over the course of a year. They were reasonably spaced out and ranged from £25 to a high of £1,500. As a result, I don't think Halifax treated Mr M unfairly by not considering the value and velocity of the payments as suspicious here. I can see that the money was sent to a variety of different legitimate trading companies, payment service providers and a genuine crypto exchange. But these payments were reasonably spaced out and they never increased in size and velocity to such an extent that the payments either individually or collectively would've been considered reasonably unusual and suspicious to Halifax compared to Mr M's previous account activity. I also note that none of the payments drained Mr M of all the funds in his account. So, I think Halifax reasonably considered this activity to be in line with the previous spending on the account.

### *Recovery*

The majority of the payments were made by debit card to accounts Mr M held at payments service providers and trading companies. So, there was no reasonable prospect of raising a successful chargeback as Mr M received the service he paid for on his card.

There were three faster payments to a genuine crypto exchange later on in the scam but Mr M has confirmed that money was forwarded to the scammers so there was no reasonable prospect of success for Halifax to recover those funds.

I note there was one payment to a retailer here but because the scam was raised more than 120 days after that payment was made it was out of time to raise a chargeback. The retailer also would've provided the service that Mr M paid for and was most likely not involved in the scam. So, there was no reasonable prospect of raising a successful chargeback for that payment.

This is a difficult message for me to give as I know how strongly Mr M feels about this matter and his loss. But given the evidence I have, and on the balance of probabilities, I'm unable to reasonably reach any other conclusion in the circumstances of this complaint. To be clear, I'm not blaming Mr M for the loss – it's ultimately the scammer who is to blame. But for the reasons I've explained above, I don't think he's been treated unfairly by Halifax.

So, taking everything into account, I don't think Halifax needs to take any further action.

### **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 M to accept or reject my decision before 8 January 2026.

Mark Dobson  
**Ombudsman**