

## The complaint

Miss R complains that Bank of Scotland plc trading as Halifax (Halifax) is refusing to refund her the amount she lost as the result of a scam.

## What happened

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

In summary, Miss R has told us that she found a trading company I will call "X" via social media. After carrying out her own research on X and having no concerns Miss R left her contact information and received communication from X.

Miss R made several payments on X's request and took a loan from another provider to fund the final payment.

However, Miss R was unable to withdraw from the investment and realised she had fallen victim to a scam.

Miss R has disputed the following payments:

Payment	Date	Payee	Payment Method	Amount
1	15 April 2024	Payward	Transfer	£230
2	17 April 2024	Payward	Transfer	£270
3	23 April 2024	Payward	Transfer	£4,000
4	2 May 2024	Individual 1	International Transfer	£9,000

Our Investigator considered Miss R's complaint and didn't think it should be upheld. Miss R didn't agree, 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 Miss R has fallen victim to a cruel scam. The evidence provided by both Miss R and Halifax sets out what happened. What is in dispute is whether Halifax should refund the money Miss R lost due to the scam.

### *Recovering the payments Miss R made*

Miss R made payments into the scam via transfer and international transfer. When payments are made using these methods Halifax has limited options available to it to seek recovery.

The first three payments were not made to the scammer directly instead they were made to a legitimate cryptocurrency exchange, likely in exchange for cryptocurrency. It would have taken further steps for these funds to end up in the hands of the scammer. For this reason,

any attempt to recover the payments would have no chance of success.

Payment 4 was an international transfer, that has even more limited recovery options. I can see that Halifax did attempt to seek recovery from the payee's account, but the operator of that account had declared bankruptcy and recovery was not possible.

With the above in mind, I don't think Halifax had any reasonable options available to it to seek recovery of the payments Miss R made in relation to the scam.

*Should Halifax have reasonably prevented the payments Miss R made?*

It has been accepted that Miss R authorised the payments that were made from her account with Halifax, albeit on X's instruction. So, the starting point here is that Miss R 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 Miss R made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The first two payments Miss R made in relation to the scam were of relatively low values that I don't think should reasonably have caused Halifax to have concerns. However, when Miss R made payment 3 she was sending £4,000 to a known cryptocurrency exchange. Considering the value of this payment and the increased risk associated with the type of payment I think Halifax should have intervened.

I think that a proportionate intervention to the risk associated with payment 3 would have been for Halifax to have provided Miss R with a written warning relevant to cryptocurrency scams that covered off some of the key features of such a scam.

When Miss R made payment 4 she was making an international payment for a significant value. I think this payment should have caused Halifax concerns and it should have intervened.

A proportionate intervention to payment 4 would have been for Halifax to have discussed the payment with Miss R with the aim being to find the circumstances behind the payment and to provide an appropriate warning based on the information it gathered.

But having considered all the evidence available I don't think interventions like that I have described above would have made a difference. I will explain why.

Before Miss R successfully made payment 4 she attempted the same value payment to another payee in relation to the scam multiple times. Halifax had concerns about the payment and multiple conversations took place between Miss R and Halifax both over the phone and in branch. I have reviewed all the available notes and listened to all available call recordings.

Miss R was constantly obstructive when speaking to Halifax and despite being warned of the importance of giving honest information she gave false information throughout.

Miss R told Halifax that she was making a payment to a friend to help them. She had known the friend for a year. Miss R was reluctant to give any further information. After several conversations Miss R was shown a video in branch that covered romance scams.

Considering Miss R had told Halifax she was sending money to a friend I think this video was relevant based on the incorrect information Miss R had provided.

Having watched the video Miss R still did not provide honest information and as she still wanted to make the payment, banking protocol was invoked.

Miss R then spoke to the police and presumably told the police the same false information she had told Halifax. Miss R confirmed to Halifax that she had spoken to the police, and her account could be unblocked. It was only after Halifax had received the police reference number that Miss R's account was unblocked and she could resume making payments.

When Miss R provided incorrect information to Halifax, she made it extremely difficult for Halifax to uncover the scam she was experiencing so that it could help protect her from losing her funds.

It's clear that Miss R was taken in by X and was willing to give false information to Halifax and the police to have the payments processed. So even if Halifax had intervened sooner than it did, I think it's unlikely Miss R would have given any more honest answers or taken notice of any warnings Halifax may have given.

So, I don't think Halifax missed an opportunity to prevent the scam and it is not responsible for Miss R's loss.

I understand from what Miss R has told us that Halifax has offered her a small amount of compensation in relation to the service she received. Having looked over the details of Miss R's complaint I wouldn't be able to say this offer is unreasonable, or ask Halifax to make any further payments to Miss R

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 5 December 2025.

Terry Woodham  
**Ombudsman**