

The complaint

Miss H 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.

Miss H is being represented by a third party. To keep things simple, I will refer to Miss H 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, Miss H found an investment company I will call "X" via social media. Miss H spoke to X over the phone where an investment opportunity was discussed and she was promised a 10% monthly return. Miss H agreed to invest.

Miss H started with a small initial payment but then made higher value payments some of which were funded by her taking loans.

X then advised Miss H that it was liquidating all its accounts. Miss H tried to close her account with X and withdraw from the investment but was told she would have to make further payments first.

Miss H was unable to withdraw from the investment and having sought legal advice it became apparent that she had fallen victim to a scam.

The following payments were made in relation to the scam from Miss H's Halifax account:

Payment	Date	Payee	Payment Method	Amount
	15 February 2024	Payward	Reverted	£20,000.00
	15 February 2024	Payward	Reverted	£20,000.00
1	15 February 2024	Payward	Transfer	£5,000.00
	16 February 2024	Payward	Reverted	£10,000.00
	16 February 2024	Payward	Reverted	£15,000.00
2	17 February 2024	Payward	Transfer	£15,000.00
3	18 February 2024	Payward	Transfer	£5,000.00
4	20 February 2024	Payward	Transfer	£17,500.00
	20 February 2024	Payward		£2,354.82cr
5	20 March 2024	Payward	Transfer	£11,000.00
	20 March 2024	Payward		£5,968.01cr
6	14 April 2024	Payward	Transfer	£20,000.00
7	15 April 2024	Payward	Transfer	£10,000.00
8	25 April 2024	Payward	Transfer	£10,400.00
	3 June 2024	Payward		£12,694.62cr
9	11 June 2024	Payward	Transfer	£5,000.00
10	14 June 2024	Payward	Transfer	£5,000.00
11	18 June 2024	Payward	Transfer	£1,000.00

12	30 June 2024	Payward	Transfer	£500.00
	3 July 2024	Payward		£9,950.04cr
13	12 July 2024	Payward	Transfer	£5,000.00
14	23 August 2024	Payward	Transfer	£6,000.00
	23 August 2024	Payward		£18.05cr
	23 August 2024	Payward		£1,968.05cr
15	3 September 2024	Payward	Transfer	£10,300.00
16	12 September 2024	Payward	Transfer	£700.00
17	12 September 2024	Payward	Transfer	£900.00
18	17 September 2024	Payward	Transfer	£3.00
19	17 September 2024	Payward	Transfer	£1,000.00
20	17 September 2024	Payward	Transfer	£4,000.00
21	18 September 2024	Payward	Transfer	£1,500.00
22	20 September 2024	Payward	Transfer	£3,800.00
23	23 September 2024	Payward	Transfer	£1,550.00
	23 September 2024	Payward		£1,551.05cr

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

Recovering the payments Miss H made

Miss H made the disputed payments into the scam via transfer. When payments are made by transfer Halifax has limited options available to it to seek recovery.

The payments Miss H made in relation to the scam were not made directly to the scammer. Instead, they were made to a legitimate cryptocurrency exchange in exchange for cryptocurrency. As there is no dispute that cryptocurrency was provided to Miss H in exchange for her payments and it took further steps for those funds to end up with the scammer any attempt to recover the payments would have no prospects of success.

Should Halifax have reasonably prevented the payments Miss H made?

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

From the available evidence I can see that Halifax did intervene several times when Miss H attempted to make payments in relation to the scam and several calls took place on 15 and

16 February 2024.

During the calls the payments Miss H was making were discussed. Miss H was warned about the importance of providing honest information and confirmed:

- She had not downloaded remote sharing software
- No one was advising her on the investment
- No Broker or financial advisor was involved
- She wasn't speaking to a third party
- She was keeping the cryptocurrency in her own wallet and wasn't moving it anywhere else
- She hadn't been asked to lie
- She had not been offered an investment
- The money Miss H was using had come from her savings

Miss H confirmed the same incorrect information multiple times during the calls. Despite Miss H giving incorrect information Halifax still warned Miss H several times about the types of scams it was seeing and that it was unlikely her funds would be recovered if it turned out to be a scam. Miss H had multiple opportunities to tell Halifax the correct purpose of the payments she was making.

In addition to the incorrect information Miss H provided during these calls she also funded the payments by taking loans. Miss H gave incorrect reasons for the loans when she applied for them.

I think Halifax could have intervened further when Miss H made the later payments in the scam as they were also for high values. But when Miss H gave incorrect information to Halifax it made it very difficult for Halifax to uncover the scam that was taking place.

I don't have enough to say that Miss H would have been any more honest had Halifax intervened further. So, I don't think Halifax missed an opportunity to uncover the scam and it is not responsible for Miss H's loss.

Miss H has further said that when taking a loan, she was unable to select investment as a purpose. Miss H has pointed to other decisions made by this service to support her view that selecting an incorrect reason doesn't mean that Halifax should not have uncovered the scam.

All complaints have different circumstances, so I won't be considering the outcome of other complaints here. In Miss H's case she applied for loans giving an incorrect reason. I don't think it was reasonable that Miss H misled the loan provider by making an incorrect selection and if she needed to take a loan for a purpose not listed, she should have checked with the loan provider that this was acceptable. Also, as explained above, the reasons Miss H selected for taking loans was not the only reason I have decided Miss H's complaint should not be upheld.

Miss H has also said that a more substantial warning would have made a difference and avoided the scam. I have thought about what Miss H has told us but as I have explained above, Miss H provided incorrect information on multiple occasions to Halifax and ignored warnings provided to her. I don't think any further intervention would likely have made a difference.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 6 November 2025.

Terry Woodham
Ombudsman