

The complaint

Mr W complains that Bank of Scotland plc (trading as Halifax) did not reimburse all of the funds he lost to a scam.

What happened

Mr W says he found an advert online that was endorsed by a celebrity for an investment opportunity. He called the number to enquire and was told to pay £250 to register with the company. He was then told he had to pay to set up a website, and once the website was set up the company could use it to help him invest. Mr W therefore paid £11,993.22 and £12,981.00 to a company to create the website. After this, Mr W went on to make payments to an account he held with a separate company which he could use to trade stocks and purchase cryptocurrency. He made the following payments from his Halifax account:

Date	Amount
24/05/2024	£11,993.22
04/06/2024	£12,981.00
19/06/2024	£750.00
20/06/2024	£80.00
20/06/2024	£2,100.00
21/06/2024	£7,100.00
26/09/2024	£1,250.00
26/09/2024	£3,350.00
27/09/2024	£5,400.00

The payments in September were fees so that he could withdraw his returns to his Halifax account. However, after paying these he could no longer get in touch with the company and he realised he had been the victim of a scam. He raised a scam claim with Halifax and referred a complaint to our service.

Following this, Halifax decided to reimburse Mr W with 50% of all of the payments he made towards the scam, as they felt they could have done more to intervene on the first payment. They also paid him £50 compensation in recognition of the upset they had caused in not preventing the payments, as well as £1,044.96 which was 8% interest on the transactions less any lawful tax. This totalled £22,779.56 and they paid this to Mr W in April 2025.

Our Investigator looked into the complaint and agreed the redress was fair and in line in the circumstances. They felt that Halifax should have done more to prevent the scam, but agreed that Mr W did not have a reasonable basis to believe the individuals he was dealing with or the investment he was making was genuine. So, they felt a 50% reduction in the redress was fair.

Mr W's representative disagreed with the findings. In summary, they said Mr W had carried out research into who he was dealing with, and he saw positive reviews online. As an informal agreement could not be reached the complaint has been passed to me for a final decision.

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.

Halifax has said they think the first two payments are covered under the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code, which provides additional protections to victims of authorised push payment scams.

Generally, the starting point under the relevant regulations and the terms of Mr W's account is that he is responsible for transactions he's carried out himself. However, Halifax are signatories to the CRM Code and, taking into account regulators' rules and guidance, codes of practice and what I consider to have been good industry practice at the time, should have been on the lookout for unusual and out of character transactions to protect its customers from (among other things) financial harm from fraud.

Halifax has agreed to reimburse Mr W in part for these two payments as they do not think they met their obligations under the Code to provide effective warnings where they think a consumer may be at risk of financial harm.

However, they felt one of the exceptions to full reimbursement applied, which is why they reduced the redress by 50%. This exception can be applied where a consumer made the payments without a reasonable basis for believing that they were for genuine goods or services; and/or the individuals they were dealing with were legitimate. While the remaining payments were not covered by the CRM Code, the same 50% reduction has been applied, and this is in recognition of Mr W's contribution to the loss.

Halifax has stated that during the many phone calls they had with Mr W about the payments, he was never fully honest with them as he repeatedly said no one else was helping him with the payments, which is not correct as he had a 'broker' guiding him heavily, that he was not dealing in cryptocurrency when that was the main subject of the scam and that no one else had access to his account when he has now said remote access software was used as part of the scam. They highlighted that Mr W did not check the company he was dealing with was regulated and had he carried out an effective search he may not have continued.

I've considered whether there should reasonably be a reduction in the redress and if Mr W had a reasonable basis to believe the investment was genuine. Mr W has said the advert he saw was endorsed by a celebrity, but unfortunately this is no longer available for me to view. As part of the setting up of the investment account, Mr W had to pay around £24,000 to set up a website that could then be used to make trades. Even considering the fact he was not an experienced investor, I don't think it was reasonable to think this was a genuine part of an investment process. This is a significant amount of money to pay simply to begin trading. I have not seen any chats between Mr W and the scammer that relate to this part of the scam, so it is difficult to know why he felt this was reasonable. But I think this is enough to have raised serious red flags about the investment itself and the individuals he was dealing with.

I also have to acknowledge that there was a warning on the FCA website about the company Mr W was investing with and a simple search online about the company could have revealed this. While I do not expect Mr W to know to search the FCA register specifically, I would expect him to generally look into the company he was investing with. And I think the warning would be a relevant piece of information to consider when deciding whether to invest or not.

I have also considered the communications I have seen between Mr W and Halifax as well as the chats between him and the scammer. While I appreciate some of these occurred after Mr W made some of the payments, I think they are relevant to understanding his relationship to the investment and if he has contributed to the loss.

In these, I do think Mr W was careful not to reveal that anyone was helping him with the investment and the individual payments. He was asked on more than one occasion if anyone had contacted him to influence him to make the payments and each time he was firm in saying no. However, on more than one occasion he was quick to confirm to the scammer on their chat the payments had gone through. I therefore think it is more likely Mr W was making sure Halifax was not aware of a third party helping him with the investment to ensure the payments were processed.

I can also see in the very first call with Halifax about the initial payment, they asked him what the payment was for. He confirmed it was for a website and confirmed a friend who lived nearby had used the same company in the past and had been doing so for many years. However, it appears he was simply paying the company he had been told to by the scammers. In multiple calls, it was highlighted that Halifax had located remote access software on Mr W's laptop, and they asked if he had been told to download this by anyone. Each time Mr W expressed surprise this software was on his device and confirmed no one had asked him to download it. However, his representative has now confirmed he was told to download this as part of the scam. Considering all of this, think it is more likely Mr W was giving the answers he felt would ensure the payments were processed and I ultimately think this general misleading from Mr W contributed to his loss and contributed to the effectiveness of the scam.

With all of this in mind, I think Halifax acted reasonably when it offered to reimburse Mr W with 50% of his losses, as well as £50 compensation and 8% simple interest on the payment less any lawful tax. This in line with our approach to these cases and the redress our service would have recommended. As this has already been paid to Mr W, I do not think Halifax needs to take any further action to remedy this complaint.

I can see that once Halifax was made aware of the scam, they did attempt to recover the funds from the beneficiary banks. Unfortunately, they were unable to recover any and considering the time that had elapsed I don't think this was unreasonable.

My final decision

I think the redress Bank of Scotland plc (trading as Halifax) has already paid is fair in the circumstances and I do not direct them to increase this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 31 October 2025.

Rebecca Norris
Ombudsman