

The complaint

Mr V complains that Bank of Scotland plc trading as Halifax won't refund money he's lost as part of a scam.

What happened

Mr V's represented throughout this complaint – for ease I'll refer to all communications as if coming from Mr V.

Mr V was unfortunately the victim of an investment scam. Mr V noticed an advert on social media for a cryptocurrency investment where he could 'double or triple' his investment over the course of a week.

Mr V proceeded to invest around £35,000 by sending money to cryptocurrency platforms before moving it on to the scammers to 'invest'. After struggling to make withdrawals Mr V realised he'd been scammed and complained to Halifax. But they didn't uphold his complaint, advising that the transfers Mr V had made went to accounts in his own name. And they'd intervened on two occasions without the scam being exposed.

Mr V didn't accept Halifax's response so brought his complaint to our service

One of our Investigator's looked into Mr V's complaint. But they didn't uphold it, advising that they thought the intervention Halifax carried out was sufficient and even if Halifax had intervened further it wouldn't have made a difference, nor would the scam have been identified.

Mr V didn't accept our Investigator's outcome. He argued that the payments should have stood out as suspicious, Halifax had greater knowledge of cryptocurrency scams and when intervening should have probed further when speaking with him.

As Mr V didn't agree it's 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.

The starting point under the relevant regulations – the Payment Services Regulations 2017 – is that Mr V is responsible for payments he's authorised himself. But, taking into account the relevant rules and guidance and what I consider to have been good industry practice at the time, I think Halifax ought, fairly and reasonably, to have been on the lookout for unusual and out of character transactions that might indicate Mr V was at risk of financial harm from fraud.

Where a firm like Halifax does have grounds to be concerned about a payment, I think it should reasonably take steps to warn its customer about the risk of continuing with the transaction. Whether a warning should be provided, and if so the nature and extent of that

warning, should be proportionate to the risk the payment presents and strike a balance between trying to protect customers and not unduly inconveniencing them. I must also consider that applying significant friction to all payments would be very onerous and would likely be impractical for Halifax.

I've considered whether Halifax acted in Mr V's best interests and took reasonable steps to prevent him from experiencing foreseeable harm. I'd expect Halifax to have systems in place to detect and prevent scams.

Halifax intervened on two occasions throughout the scam, however on neither occasion did it lead to the scam being exposed or Mr V realising he was the victim of a scam. I've considered Halifax's interventions and whether they were proportionate to the risk the payments presented. I'm afraid I think Halifax's actions were a proportionate response to the risk the payments presented. And I think they carried out sufficient intervention here. I'll explain why below.

When Mr V requested to make a £5,000 payment Halifax blocked it. They asked Mr V to contact them to discuss the payment over the phone. I've listened to the first phone call between Mr V and Halifax, and the questions Halifax asked him.

In the call Halifax advised Mr V that the payment flagged because it's has a *'higher than normal risk of being fraudulent'* and they've seen *'investment scams including cryptocurrency'*. They asked Mr V whether anyone had contacted him to receive money into his account, move any money out or not to tell the bank? Mr V responded *'no, no they haven't, no-one'*. At the end of the call Halifax then asked Mr V to confirm he'd not been contacted by anyone and either been asked to receive money, move it on or not tell the bank. Mr V responded to say *'yes it's a genuine payment with myself'*. Halifax were satisfied with Mr V's responses and released the payment.

Halifax then spoke to Mr V for a second time after he attempted a £4,000 payment. In response to further warnings and questions from Halifax Mr V said *'I'm not in contact with anyone'* and *'I've not been contacted by anyone'*. Halifax were satisfied with Mr V's responses and released the payment.

I've considered Mr V's responses to the questions Halifax asked. And I'm afraid I agree with Halifax's assessment that Mr V didn't answer the questions put to him openly and honestly. Throughout this period Mr V was in contact with the scammers who were guiding him on where to send the funds.

I've not seen any evidence that Mr V was told to mislead Halifax, however I appreciate scammers can be very manipulative and persuasive. I'm satisfied that the responses Mr V gave Halifax wouldn't have given them cause for concern. I appreciate Mr V's argued that Halifax, as the experts in scams, should have asked more probing questions and if they had done so they would have successfully exposed the scam. Leading to Mr V not sending any further funds. I'm afraid even if I did think Halifax should have probed more and asked more tailored questions, I've no reason to think Mr V would have responded any differently or shared more details about the scam. I say this based on the answers Mr V gave Halifax. This means I can't fairly conclude the scam would have been exposed.

Overall, while I understand this will be very disappointing for Mr V, I'm afraid I won't be asking Halifax to do anything further here.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 14 January 2026.

Jeff Burch
Ombudsman