

The complaint

Mr H and Mrs J complain that Bank of Scotland plc trading as Halifax (Halifax) didn't do enough to prevent the loss they suffered when Mr H was the victim of a scam.

The loss here came from a joint account, and a representative has been used to bring the complaint. But, for ease of reading, I'll mostly just refer to Mr H himself where I also mean Mrs J and the representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In 2023, Mr H was the victim of a scam. He met someone online and a close relationship formed. Ultimately this person said they would help Mr H to invest in cryptocurrency and generate profits using AI.

The chat history between Mr H and the scammer shows that he was talked through opening cryptocurrency accounts, how to credit them and send on the cryptocurrency. Initially this was in furtherance of an investment, and as time went on it was to make payments to the scammer, believing she was in need of financial assistance for a variety of reasons.

Some of the money Mr H sent was borrowed, this was through both money transfers on his Halifax credit card and a personal loan (also with Halifax). Ultimately, as a result of the scam, Mr H made a series of payments between August 2023 and January 2024. In total there were around 44 payments which ranged in value from £1 to around £2,600. The payments were almost all card payments to legitimate cryptocurrency exchanges and Mr H says the purchased cryptocurrency was sent on and lost to the scam.

In November 2024, Mr H complained to Halifax that they'd not done enough to protect him from the losses he suffered as a result of the scam. Halifax didn't think they'd done anything wrong and the matter was referred to our service. One of our Investigators didn't recommend that the complaint should be upheld. In summary he wasn't persuaded that Halifax had acted unfairly or that they ought to have intervened in the series of payments Mr H had made. Our Investigator also addressed some complaint points Mr H had raised about his credit card and the loan he took from Halifax. Mr H didn't accept our Investigators outcome and asked for an Ombudsman to review his complaint.

Initially I thought that the complaints should be split as part of it (this complaint) is brought in joint names and the credit card and loans were solely in Mr H's name. I'll be issuing separate decisions as appropriate.

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 overall outcome as our Investigator and for broadly similar reasons. I know this will be disappointing for Mr H, so I'll explain why.

It isn't in dispute that Mr H made the payments he is complaining about. So, the starting point is that he will usually be responsible for payments he's made himself. But, Halifax should also monitor the accounts they provide with a view to protecting their customers from the risks of fraud, scams and the misappropriation of funds. So, there will be occasions where it's appropriate for Halifax to take some additional steps before processing payments that might represent an increased risk.

However, I also think it's fair that there's a degree of proportionality as to what can fairly be expected with regards to when (and to what extent) a bank should intervene. Halifax can't fairly be expected to be involved in every payment made by their customers.

With the above in mind, I agree with our Investigator that the payments Mr H made to the scam, weren't a significant departure from those that he had made previously. The evidence shows that Mr H had previously made other payments of broadly similar (or greater values) from his account. So, I don't think the payments would've stood out such that Halifax needed to do more than they did before processing them. In reaching this view, I've also taken account of the loan Mr H took out and the incoming transfers to his joint account from his credit card. But those factors also don't persuade me that Halifax ought to have had concerns about the account activity.

That being said, I do acknowledge that payments to cryptocurrency (many of which will be entirely legitimate) can also be an indicator of a potential scam. So, even if I'm wrong on what I've said above, and that Halifax should've warned Mr H about the possibility of a cryptocurrency investment scam, I'm not persuaded this would've made a difference in this case. I say this because this scam also had a very strong 'romance' element to it. There are numerous instances of Mr H and the scammer declaring their love for each other. And as early into the scam as August 2023, Mr H asked the scammer if she would have a child with him. They then discussed that they would both like to have a daughter. Given the closeness of their relationship (as Mr H believed it to be at the time), I don't think it's more likely than not that he would've been receptive to any level of warning that could fairly have been expected of Halifax. This is especially the case because much of what Mr H sent wasn't actually towards his 'investment' but was rather to pay the scammer who told him she had fallen on hard times.

Mr H has also said that he was vulnerable at the time of his payments and that this is a basis upon which Halifax ought to have done more. I've considered this, but I don't agree. The evidence from Halifax shows that in October 2023 Mr H informed them that he had some mental health problems, but that this was a long-term issue which didn't impact his ability to manage his finances. October 2023 was a significant way into the scam which as I've set out above, ran for a number of months. I don't think Halifax reasonably could've known Mr H was vulnerable before he'd shared that with them. And after he'd advised them of this (and made a further disclosure about his medication in November that year), I still don't think Halifax reasonably should've done anything differently. As I've said, the payments weren't meaningfully indicative of a fraud or scam, and I still don't think it was unreasonable for Halifax not to have intervened in them. By this point, they had also been ongoing for some time, which would've had the impact of even further normalising their appearance to Halifax.

I agree that Halifax should be aware of and support Mr H in relation to any vulnerabilities. But in the circumstances of this complaint, I just don't agree that this can fairly involve the level of oversight or involvement in the decisions he made that Mr H seems to expect. And even if I'm wrong on this point and Halifax ought to have made additional enquiries with Mr H due to his vulnerabilities, I'm not persuaded this would've stopped the scam for the same

reasons as those I've given above, primarily the closeness of the relationship (as Mr H believed it to be) with the scammer. So overall, for the reasons I've set out, I'm not persuaded that Halifax are responsible for Mr H's loss due to not having done more before the payments were made.

Mr H has also mentioned that an arranged overdraft for up to £1,800 was put in place on the account in September 2023. I've considered this, but given the account appeared to be well managed, and that it was receiving regular monthly credits of over £5,000, I don't think it was wrong for Halifax to agree this facility. I also don't agree that there was anything about the overdraft in this case which should've put Halifax on notice that Mr H might be at risk of financial harm from a scam. I don't think it is unusual or indicative of a scam for someone to wish to increase their flexibility by having access to or using an overdraft facility.

I've also thought about Halifax's actions once they were informed that Mr H's payments had been made as a result of a scam. But as Mr H has said the payments were all transferred into cryptocurrency which was then sent on to a scammer, I don't think there was anything Halifax reasonably could've done which would've resulted in recovery of the same. The overwhelming majority of the payments were debit card payments. And I think the relevant merchants would've been able to evidence they'd done what was asked of them, that being exchanging Mr H's money into cryptocurrency and sending it on as requested. So, I don't think there was any prospect of a successful chargeback.

I'm of course sorry to hear that Mr H was the victim of a cruel scam and I don't doubt the impact this has had on him. But despite my natural sympathy for him as a victim of crime, my role requires that I remain impartial. And as I don't think Halifax are responsible for his loss (or a part of it), there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs J to accept or reject my decision before 5 January 2026.

Richard Annandale
Ombudsman