

The complaint

Mr D complains that Bank of Scotland plc trading as Halifax ("Halifax"), have failed to refund money that he says he lost as part of an investment scam.

What happened

Mr D came across a company that purported to be an investment firm, but he says it was actually a scammer that I will call C. Mr D says he was persuaded to make 4 payments from his Halifax account to C, via debit card in November 2020 and December 2020. These payments totalled over £30,000.

Mr D says he realised he had been scammed when he made the final payment in December 2020.

Mr D raised a complaint with Halifax, as he believed that it should have stopped him from making the payments in question.

One of our investigators looked into this matter and they did not uphold this complaint. They believed that Mr D had not sufficiently demonstrated that he had been scammed.

Mr D did not agree with these conclusions. So his complaint has been passed to me to issue 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

In broad terms, the starting position is that Halifax is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Halifax should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so, given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;

- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Halifax sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, and payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

The obligations I've outlined above are, however, predicated on there having been a fraud or scam. If Mr D hasn't suffered a loss to a scam, Halifax had no obligation to prevent him from making the payments. And I should explain, initially, that although Mr D has described falling victim to a scam, the company that he said he was scammed by appears to be a legitimate firm.

I note that there is now an FCA warning saying that it had been operating in the UK without being regulated. But this does not necessarily mean that the firm is a scam.

Finally, I accept that there are some poor reviews about C online, but any large company will have some poor reviews. The existence of some poor reviews online about C does not mean that they are not a legitimate firm.

From what I can see I think that it is most likely that Mr D was trading with a legitimate firm, albeit one that was not regulated in the UK. So overall, I don't think Mr D has been scammed. So Halifax are not liable for his loss.

I should add that I can see that there is some correspondence between actual scammers purporting to be working for other companies and Mr D. But Mr D has not been able to show a clear link between the correspondence and the funds that were sent to C. I also think that it could relate to funds that were sent to a crypto exchange around the same time as the payments that Mr D is complaining about.

It is possible, based on the correspondence, that the funds were actually sent to a clone firm pretending to be C. But given the name of the merchant listed on the bank statements it is unlikely. Given that the firm C no longer exists, it is difficult to say for certain as it is unclear exactly what format the web address the client login for C was. So overall I am not satisfied that Mr D has sufficiently evidenced that the payments in question relate to an actual scam.

But even if I was satisfied that C was operating as a scam, I don't think that this would have been obvious to Halifax had it intervened during the transactions in question. If Halifax looked into C I don't think that there was anything from the time that suggested that C were a scam firm and C were regulated at the time, albeit not in the UK. Finally, neither C nor the actual scammers that Mr D was interacting with at the time of the payments had official warnings. So had Halifax intervened I don't think it likely that the scam could have been uncovered or stopped.

I should also add that Mr D clearly thought that what he was doing was legitimate as he continued to correspond with the scammers, even after he said he realised he had been scammed. And it appears he sent further funds in February and March 2021. So I don't think a warning from Halifax would have dissuaded Mr D either.

So overall I am not satisfied that Mr D has demonstrated that the transactions he complained about were linked to a scam. And even if I did think they were part of a scam, I don't think that Halifax could have uncovered and prevented the scam.

I've also thought about whether Halifax did enough to attempt to recover the money Mr D says he lost. In this instance the payments would not be covered by the Contingent Reimbursement Model ("CRM") as the payments were made via debit card. Also, due to the timescales involved, a chargeback could not have been attempted. I note that Mr D has mentioned that he raised this matter in December 2020, but there is no evidence of this. So I don't think that the funds could have been recovered by Halifax.

I appreciate this will likely come as a disappointment to Mr D. However, I'm not persuaded that Halifax can fairly or reasonably be held liable for the losses that Mr D says he experienced in these circumstances.

My final decision

My final decision is that do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 December 2025.

Charlie Newton
Ombudsman