DRN-5819429

The complaint

Mr P is being represented by solicitors. He's complaining about Bank of Scotland plc trading as Halifax because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr P fell victim to a cruel job scam. He was contacted online and offered online work by scammers that were cloning a legitimate firm. He was required to carry out sets of tasks, which he was required to pay in cryptocurrency to access, and for which he expected to receive commission once a set was completed.

Mr P made payments to the scam from two accounts, one with Halifax and one with another bank. In November 2024, he transferred the following amounts from his Halifax account to a cryptocurrency exchange that I understand were lost to the scam:

No.	Date	Time	Amount £
1	5 Nov	N/A	20
2	9 Nov	N/A	100
3	10 Nov	14.33	850
4	10 Nov	15.17	3,500

In making the original complaint, Mr P's representative also referred to transfers of £860 and £7,840 later on the same day. But a review of account statements appears to show these weren't lost to the scam and actually went to his other bank account after Halifax intervened and blocked a transfer for £8,700 that he tried to make shortly after payment 4.

Mr P also made a further payment for £400 to the scam after payment 4. But I haven't included that in the list of payments to be considered here as Halifax had already agreed to refund this amount in full with appropriate interest before the complaint was referred to this service.

A review of Mr P's Halifax statements also shows he received payments from the cryptocurrency exchange of £148.10 and £138.10 on 9 and 11 November 2024 respectively.

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I didn't think it should be upheld. My reasons were as follows:

> *There's no dispute that Mr P authorised these payments. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.*

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Halifax also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Halifax acted fairly and reasonably in its dealings with Mr P.

The payments

I must take into account that many similar payment instructions Halifax receives will be entirely legitimate and that it has a responsibility to make payments promptly.

Having considered what Halifax knew about the payments at the time, I'm not persuaded it ought to have been particularly concerned about them. Payments 1 to 3 were for relatively low amounts and while payment 4 was more significant, I think Halifax could reasonably take some comfort from the fact that it wasn't Mr P's first payment to the same recipient and no concerns had been raised about those made previously. In the circumstances, I don't think there were sufficient grounds for Halifax to think he was at risk of harm from fraud and I can't say it was at fault for processing the payments in line with his instructions.

Recovery of funds

I've also looked at whether Halifax could or should have done more to try and recover Mr P's losses once it was aware that the payments were the result of fraud.

It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery. I understand Mr P didn't notify Halifax of the fraud until several weeks after the payments were made and it's not a surprise that its attempts to get his money back weren't successful.

In any event, Mr P transferred funds to an account in his own name. Halifax could only try to recover funds from that account and it appears the money had already been moved on and, if not, anything that was left would still have been available to him to access.

In the circumstances, I don't think anything that Halifax could have done differently would likely have led to these payments being recovered.

In conclusion

I recognise Mr P has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Halifax acted fairly and reasonably in its dealings with him and I won't be telling it to make any further refund.

The responses to my provisional decision

Mr P’s representative confirmed his acceptance of my provisional decision. Halifax made no further comment.

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.

As neither party has made any further submissions, my findings haven’t changed from those I set out previously.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr P to accept or reject my decision before 14 October 2025.

James Biles
Ombudsman