

The complaint

Mr P is unhappy that Bank of Scotland plc trading as Halifax (Halifax) won't reimburse money he lost to a scam.

Mr P is represented by a third-party claims firm, but I will refer to Mr P here.

What happened

The background to this complaint is known to both parties, so I won't repeat everything here. In summary, Mr P has explained that between June 2023 and August 2024 he made payments from his Halifax account to buy cryptocurrency which he ultimately lost to an investment scam.

Mr P was looking for investment opportunities and came across a video on social media promoting an investment with a firm I will refer to as "A". He reached out to A and was persuaded to invest his funds. He was given access to a trading platform which he described as professional looking. Mr P has also told us he opened accounts with a number of legitimate cryptocurrency providers.

Mr P explained he was expecting to receive his profits in July 2024, but this didn't happen. He was asked to pay taxes and fees in order to withdraw his funds. Shortly after this point he realised he had been scammed. Mr P has told us he lost £27,909.29 as a result of the scam.

Mr P raised a complaint with Halifax. It didn't think it had done anything wrong by allowing the payments to go through. So, Mr P brought his complaint to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator didn't think the payments Mr P made were unusual and so they didn't feel Halifax should have identified a scam risk. Mr P didn't agree. He said, in summary, that the payments were unusual. He also explained that the payments were being made to cryptocurrency providers, and given the risks associated with cryptocurrency, Halifax should have questioned these payments before they were made. Mr P also thought Halifax should have treated his lack of investment knowledge as a vulnerability and taken this into account.

Mr P's complaint has now been passed to me for review and a 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.

I'm sorry to disappoint Mr P, but I'm not upholding his complaint - for broadly the same reasons as the Investigator.

The Lending Standards Board Contingent Reimbursement Model Code (CRM Code) provides refunds in certain circumstances when a scam takes place. But as Halifax has pointed out, these payments aren't covered by the CRM Code. This is because it doesn't

cover payments made to an account held in a person's own name. I've therefore considered whether Halifax should reimburse Mr P under any of its other obligations.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. Halifax is expected to process authorised payment instructions without undue delay. But in some scenarios, a bank should take a closer look at the circumstances of the payments – for example, if it ought to be alert to a fraud risk, because the transaction is unusual for the customer, or looked out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payments. But I'd expect any intervention to be proportionate to the circumstances of the payment. I have also kept in mind that banks such as Halifax process high volumes of transactions each day, and that there is a balance to be found between allowing customers to be able to use their accounts and questioning transactions to confirm they are legitimate.

Halifax didn't identify that Mr P might be at risk of financial harm from a scam when he made the disputed payments. And having reviewed his account statements, I can't conclude that the payments made to the scam would have looked particularly unusual or out of character to Halifax. All the payments made were relatively modest so I can't say Halifax should have been particularly concerned about them or that they would have presented an obvious scam risk in value alone.

I've also considered the frequency of the payments. The scam payments were made over a 15-month period. They didn't escalate rapidly in value or frequency in a pattern that could typically indicate a scam was taking place. So, it would have been difficult for Halifax to identify that a scam was unfolding.

Mr P has advised that Halifax should have intervened as the payments related to cryptocurrency. The payments were made to legitimate cryptocurrency providers. And while there are known fraud risks associated with cryptocurrency, as scams like this have unfortunately become more prevalent, not all payments related to cryptocurrency are scam related. This means that I wouldn't expect Halifax to intervene on a payment just because it related to cryptocurrency.

So, while Halifax should be looking out for signs that its customers are at risk of financial harm from fraud, I'm not persuaded the value, the destination of the payments or the frequency of the payments were so unusual or suspicious for Halifax to have suspected Mr P was at risk of financial harm - thereby prompting it to intervene before processing them.

I have also considered whether Halifax could have done anything to recover Mr P's payments once the scam was uncovered. However, the funds were converted into cryptocurrency and paid to the scammer. Therefore, I don't think there was any realistic possibility of recovery.

Mr P has advised the scammers took advantage of his lack of investment knowledge. He's also explained that the loss of funds has had a significant impact on him. I'm sorry to learn about this. But I can't say that Halifax was or should have been aware that he was vulnerable or made any special adjustments for him at the time the transactions were made.

I'm sorry to hear Mr P suffered a financial loss as a result of what happened. But it would only be fair for me to direct Halifax to refund his loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Halifax has acted fairly and so I'm not going to tell it to do anything further.

My final decision

For the reasons I've explained, 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 16 January 2026.

Aleya Khanom
Ombudsman