

## **The complaint**

Mr B complains that Bank of Scotland plc trading as Halifax (Halifax) is refusing to refund him the amount he lost as the result of a scam.

Mr B is being represented by a third party. To keep things simple, I will refer to Mr B throughout my decision.

## **What happened**

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr B was introduced to an investment opportunity via social media by an individual I will call "X" who was promoting a "path to financial freedom". X communicated with Mr B via well-known messaging applications often in group chats, and with regular phone calls. Mr B was also able to login to his own account where he was able to track his trading profits. The investment scheme claimed to use AI and real traders.

Convinced X was genuine Mr B made multiple payments in relation to what he thought was a genuine investment, but later found X to be a scammer and he had lost all his funds.

Mr B has disputed more than 250 payments made in relation to the scam between January 2021 and September 2024. While I have considered all the payments, I have not listed them all here.

## **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.

It has not been disputed that Mr B has fallen victim to a cruel scam. The evidence provided by both Mr B and Halifax sets out what happened. What is in dispute is whether Halifax should refund the money Mr B lost due to the scam.

### *Recovering the payments Mr B made*

Mr B made the payments into the scam via his debit card. When payments are made by card the only recovery option Halifax has is to request a chargeback.

The payments Mr B made in relation to the scam didn't go to the scammer directly. Instead, the payments were made to legitimate cryptocurrency exchanges in exchange for cryptocurrency. As it took further steps for those funds to end up in the hands of the scammer, any recovery attempt would have no prospects of success.

I understand that Mr B feels his payments in relation to the scam should be refunded in accordance with the CRM Code. But the CRM code does not apply to payments made by debit card. So, I'm satisfied the CRM Code wouldn't apply in this scenario.

*Should Halifax have reasonably prevented the payments Mr B made?*

It has been accepted that Mr B authorised the payments that were made from his account with Halifax, albeit on X's instruction. So, the starting point here is that Mr B is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Halifax should have been aware of the scam and intervened when Mr B made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

All the payments Mr B made in relation to the scam went to cryptocurrency exchanges and were of relatively low values that I wouldn't have expected to have caused Halifax concerns that Mr B may have been at risk of financial harm.

Mr B did make two larger payments in relation to the scam on the 15 July 2021 that totalled more than £11,000. However, the risks associated with cryptocurrency payments at the time was not as widely known as it is today, Mr B had also made 38 other payments to the same payee in the six months prior without complaint. In addition to this Mr B had also made previous large payments from his Halifax account that were genuine.

With the above in mind, I don't think the larger payments made in relation to the scam would have appeared unusual when compared with Mr B's usual spend or appeared to have a higher associated risk. So, I don't think it was unreasonable that Halifax didn't intervene when any of the payments were made.

I would like to thank Mr B for being open about his personal circumstances at the time he made the payments he has disputed, and the difficult time he was experiencing. As I don't think it was unreasonable that Halifax didn't intervene when any of the payments were made, I am still unable to hold Halifax responsible for Mr B's loss.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 2 January 2026.

Terry Woodham  
**Ombudsman**