

The complaint

Mr and Mrs K complain that Bank of Scotland plc trading as Halifax (Halifax) won't refund the money they lost as a result of a scam.

The complaint is brought on Mr and Mrs K's behalf by a professional representative. Most of the complaint points have been raised by Mr K, so there may be points in the decision where I refer only to him despite this being a joint complaint.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr K has said he fell victim to three investment scams. He has advised that the investments were presented to him by someone he had been speaking to for several months ("the scammer") who he thought was his friend. Following her recommendation, he started to make several payments from his Halifax accounts towards what he thought were genuine investments.

Mr K has explained that he didn't do any research into the investments but that this was because he trusted the scammer. He advised he was added to group chats, attended regular video calls with other investors and had access to a platform in connection to the scams. He was also told to open cryptocurrency accounts with genuine providers which he used to send payments. Mr K has advised that the information shared by the scammer made the investments feel like genuine opportunities.

Mr K has told us he made a total of 20 payments towards the scam and lost a total of £24,678.96. From Mr and Mrs K's joint account with Halifax they made 4 payments between May 2023 and November 2023. I have included a breakdown of the payments below:

Payment number	Date	Amount
1	25 May 2023	£1,120
2	5 June 2023	£1,500
3	24 November 2023	£250
4	27 November 2023	£600
	Total loss (not including any credits)	£3,470

Mr K realised he had been scammed by all three investments when he couldn't make any withdrawals. He also attempted an office visit for one of the scam firms and realised it didn't exist.

Mr and Mrs K raised a complaint with Halifax. It investigated the complaint but didn't uphold it. It didn't think it had done anything wrong by allowing the payments to go through. So, Mr and Mrs K brought the complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. He thought the actions taken by Halifax were proportionate to the risk it identified.

Mr and Mrs K didn't agree, so the complaint has been passed to me for review and a decision.

I issued my provisional decision on 20 October 2025. This is what I said.

I'm sorry to disappoint Mr and Mrs K but I'm not upholding the complaint - for broadly the same reasons as the Investigator.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I have not mentioned, it isn't because I have ignored it. I haven't. I'm satisfied that I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

The Lending Standards Board Contingent Reimbursement Model Code (CRM Code) provides refunds in certain circumstances when a scam takes place. But – it doesn't apply in this case. 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 and Mrs K under any of its other obligations.

In broad terms, the starting position in law is that a bank is expected to process payments and withdrawals that a customer authorises it to make. It isn't disputed that Mr K authorised the payments from his Halifax account. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Halifax is expected to process Mr and Mrs K's payments, and they are presumed liable for the loss in the first instance.

But in some circumstances, it might be appropriate for Halifax to take a closer look at the circumstances of the payments – for example, if it ought to be alert to a fraud risk, because the transactions were unusual, or looked out of character or suspicious. And if so, it should have intervened, for example, by contacting the customer directly, before releasing the payments. This is to help protect customers from the possibility of financial harm from fraud. But I'd expect any intervention to be proportionate to the circumstances of the payment.

Given what Halifax knew about the payments, I've thought about at what point, if any, it ought to have identified that Mr and Mrs K might be at a heightened risk of fraud.

I wouldn't have expected Halifax to intervene on the payments (as I have explained below). But Halifax have advised it stopped a payment made on 24 May 2023 and discussed it with Mr K the next day. This payment was attempted before Payments 1 to 4 and was for £300 (not Payment 1 for £1,120 as previously advised). Halifax explained the payment carried a higher risk. Mr K highlighted the payment he had attempted to make was for £300 to a cryptocurrency provider. Halifax asked if this was his own cryptocurrency account and whether he'd sent money to it before. It highlighted that he could risk losing all his funds and asked whether he understood this. It also asked if anyone had contacted Mr K, asked him to lie to the bank or to move money for any other reason which Mr K replied no to. Mr K was told he would need to put the payment through again. Although this payment didn't go through, I think the intervention Halifax carried out was proportionate to the risk it identified with this payment.

Mr K then proceeded to make Payments 1 to 4. Halifax didn't identify that Mr and Mrs K might be at risk of financial harm from when they made these payments. And having reviewed their account statements, I can't conclude that these payments would have looked particularly unusual or out of character to Halifax. The highest payment made in relation to the scam was £1,500. 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 several months. The payments did not increase significantly during this time, which is something that can happen when a customer is falling victim to a scam so it wouldn't have been obvious to Halifax that a scam was unfolding. So, in the circumstances I would not have expected it to intervene again.

The payments were made to legitimate cryptocurrency exchanges. 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 their customers are at risk of financial harm from fraud, I'm not persuaded the value, frequency or destination of the payments were so unusual or suspicious for Halifax to have suspected Mr and Mrs K were at risk of financial harm - thereby prompting it to intervene before processing them.

Taking all of this into consideration, I don't think Halifax ought to have done more before following the instructions Mr and Mrs K gave.

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

I realise this means Mr and Mrs K are out of pocket, and I'm really sorry they lost money. However, for the reasons I've explained, I don't think I can reasonably tell Halifax to reimburse them.

Responses to my provisional decision

Halifax did not respond to my provisional decision.

Mr and Mrs K didn't agree. In summary they said that Halifax has a duty of care to protect customers. They referred to a payment that wasn't made on their joint account and explained it should have triggered a more serious intervention. They also referred to the warning provided on this payment as generic.

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've reviewed Mr and Mrs K's response to my provisional decision carefully, but the points they have made don't persuade me to reach a different conclusion. The arguments raised relate to a payment that wasn't made on Mr and Mrs K's joint account and so aren't relevant to this complaint.

For the reasons I have explained in my provisional decision, I don't think Halifax should have done more to prevent Mr and Mrs K's loss in the circumstances. And so, I don't think it would be reasonable to ask them to refund the payments they made.

I am sorry to disappoint Mr and Mrs K. But I'm not departing from my provisional decision that Halifax don't need to do anything else here.

My final decision

My final decision is that I'm not upholding the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 2 December 2025.

Aleya Khanom
Ombudsman