

The complaint and background

Mrs S through her representative, complains about the actions of Bank of Scotland plc trading as Halifax when it declined to refund her money lost when she fell victim to a cryptocurrency investment scam.

The details of this complaint are well known to both parties, so I won't repeat them in full here. Instead, I'll summarise what happened and focus on giving details of our Services' involvement and the reasons for my decision.

Mrs S says she was introduced to an alleged investment opportunity which I'll refer to as C by a family member who was already successfully investing with them for six months and had been able to withdraw funds. Mrs S made a series of payments totalling around £32,000 between March 2021 and February 2023 to her own cryptocurrency account before the purchased cryptocurrency assets were transferred onwards to C. She said she realised she'd been scammed when she was notified that C had ceased its operations.

A complaint was raised with Halifax which was rejected before it was brought to this service. Our investigator also rejected the complaint. She wasn't satisfied that Mrs S had sufficiently evidenced she'd fallen victim to a scam operated by C. Mrs S's representative disagreed and provided further evidence in support of her case. Our investigator reviewed the further submissions and maintained that the evidence presented still didn't prove Mrs S's payments from her account with Halifax were made in relation to a scam operated by C. Mrs S's representatives maintained the submissions substantiate her claim and show a pattern of investment consistent with the scam. As agreement couldn't be reached, the case has been passed to me to decide.

I contacted Mrs S informally, as our rules allow. I expressed concerns about the evidence presented and that I was minded to agree with our investigator. I also raised concerns that Mrs S was investing on behalf of others and had provided no evidence that these parties were even aware of this. She'd also made reference to gifting the profits to them in future. I highlighted some concerns with Mrs S regarding her testimony and how she says she was introduced to C. Fundamentally, I wasn't satisfied Mrs S had sufficiently evidenced that her payments to her cryptocurrency account were made in relation to C. Therefore I wasn't satisfied Mrs S had evidenced there was a risk of financial harm associated with her making these payments, that Halifax ought to have acted to try and prevent.

Mrs S advised she wanted to continue with her case and proceeded to provide more evidence and information relating to the payment journey.

I issued my provisional decision on 5 November 2025. In this I said:

What I've provisionally 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.

Following my informal contact with Mrs S, further submissions were made in support of evidencing a payment journey regarding her payments to her cryptocurrency account being made specifically in relation to C. I am satisfied that Mrs S has now provided evidence of the cryptocurrency account belonging to her – something that up until this juncture had not been made available. I'm also satisfied that evidence provided shows that Mrs S was involved with the scam operated by C.

There are however still a number of concerns that remain. It remains entirely unclear why Mrs S was able to set up multiple accounts that she evidently had control over. And why this is something she was even able to do in the first place without their consent – even if as she's said it was her intention to gift the profits to them. I've seen no communication with any individuals that supports this. To my mind, given the values of the 'packs' that were available to be purchased and the alleged commission/ referral based system that C had in operation, that this was more likely a means for Mrs S to maximise her earnings. And I consider this is further supported by Mrs S's introduction to C through a family member.

I had previously explained to Mrs S and her representative that it's not for this service to piece together the evidence and information its presented – which for the most part had been screenshots of numerous accounts with C. At the point in which I'd communicated informally, I advised that as it stood there was no clear payment journey evidenced by Mrs S. Further submissions and explanations have since been provided which I've carefully considered. I've yet to see any evidence that shows any specific instructions given to Mrs S by C regarding any payment instructions. Mrs S has also provided limited evidence in terms of actual communications between her and C. And I think it remains arguable whether the latest submissions and explanations provided clearly show the payment journey from Halifax through to C via Mrs S's cryptocurrency account. For example, from the evidence provided Mrs S made a significant payment of £11,000 to her cryptocurrency account yet there was a period of four days before she did anything with those funds. There's been no explanation provided about this.

In any event, for the reasons I'll go on to explain, I don't need to explore the above concerns further.

In broad terms, the starting position at law is that a bank such as Halifax is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here it's not in dispute that the payments were authorised, so the starting position is that Halifax isn't liable for the transactions.

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

Halifax advised that it didn't identify a high risk in respect of the payments Mrs S made to her cryptocurrency account so they didn't intervene. It further explained that looking at the overall circumstances, including the way Mrs S had previously used her account it didn't believe there was any reason for them to be suspicious. That said, it did confirm that when Mrs S made the payment of £11,000 she would have received a payment warning based on the payment category selected. However, due

to the time that's passed it no longer holds record of what payment category Mrs S chose.

I do consider that there was enough going on with this payment of £11,000 that Halifax ought to have gone beyond providing a payment warning. I disagree the payment was in keeping with Mrs S's account activity and given its value I do consider that Halifax ought to have intervened by contacting Mrs S directly to discuss what she was doing. But I can only ask Halifax to reimburse Mrs S if I find that any wrongdoing on its part caused her loss. And where something didn't happen that should have, I'm required to make this decision based on the balance of probabilities; that is, what I find is more likely than not to have happened if things had gone as they should.

Mrs S was introduced to C through a family member and at the time of the introduction were aware that they'd already been investing for six months and had been able to successfully make withdrawals. However, prior to investing Mrs S confirmed that she was invited to online presentations detailing the scheme, the opportunities and due diligence that she says had already been carried out by lawyers and established successful business people. Mrs S advised the presentations were held weekly which reinforced the validity of the scheme, all the returns, training and the actual CEO of C and other members of staff also spoke during these presentations.

Although Mrs S's payment was being made to her own cryptocurrency account, at the time it was made, cryptocurrency related scams were not as prevalent as they have been in more recent times. So had Halifax intervened and Mrs S been honest about the purpose of the payment I would have expected Halifax, to at most, have warned Mrs S about a potential scam, and encouraged her to ensure she had carried out her due diligence about C before making the payment. And whether or not Mrs S would've mentioned C by name, I wouldn't have reasonably expected Halifax to carry out any research on it. Ultimately the onus would've been on Mrs S to go away and do her due diligence.

I am mindful the Financial Conduct Authority ('FCA') had first published a warning about C in late 2019. But even if Mrs S had come across this warning as a result of any intervention by Halifax, I'm not satisfied it would have prevented her from going ahead with investing in C. I say this for the reasons I've set out above – particularly with how Mrs S was introduced to C and the due diligence she's acknowledged had already been carried out into C by lawyers and established successful business people. I also can't ignore that rather than simply investing in C herself initially, Mrs S was evidently so convinced by what C was offering that she proceeded to set up multiple accounts with C in the name of other parties in order to invest.

Whilst Mrs S has been the victim of a cruel scam, for the reasons I've given above I don't think it'd be fair and reasonable to hold Halifax liable for Mrs S's losses to the scam.

I've considered whether there are any ways Halifax could have recovered Mrs S's money, but I don't consider it could have.

Finally, I understand Halifax issued a final response letter which made an award of £50 for the length of time it took to consider Mrs S's complaint. I should explain just as our investigator has, complaint handling in and of itself is not a regulated activity. So, I'm afraid that a complaint about complaint handling would not be within our remit and so I won't be commenting on that here.

I invited further comments from both parties.

Halifax confirmed it had not further comments to make.

Mrs S's representatives responded with comments. It said Mrs S's actions to invest on behalf of others were motivated by generosity rather than personal gain. It argued that Halifax's failure to intervene appropriately highlighting the risks of cryptocurrency-related scams could reasonably have caused her to reconsider investing, particularly given the high value of the transaction in question and the fact she was investing on behalf of others. It also argued had Halifax brought to Mrs S's attention the warning published by the FCA, this would have presented an official and credible source of risk information that could reasonably have led her to reconsider her investment. As such it asked for reconsideration of my provisional 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'd like to thank Mrs S's representatives for their comments. I appreciate the strength of feelings they have on the matter. But in making my provisional findings, I had already considered their points made.

I can't ignore how Mrs S was introduced to C, nor that she was so convinced by the opportunity (that is said to have been motivated by generosity) to invest significantly on behalf of others. That said, I would point out that one of the accounts set up show this to be an account set up in the name of a Ltd business which Mrs S has a direct connection to. As such, I'm still minded to consider on balance that the various accounts Mrs S set up on behalf of others with C were more likely a means for her to maximise her earnings.

In any event, in responding to the argument raised around the FCA warning, I'm satisfied this was addressed within my provisional decision. I explained that the onus would've been on Mrs S to go away and do her due diligence – and that I wasn't satisfied that even if she had come across this warning, this would have prevented her from going ahead with investing in C. Particularly with how Mrs S was introduced to C and the due diligence she's acknowledged had already been carried out into C by lawyers and established successful business people.

Whilst I've carefully considered the appeal submitted by Mrs S's representatives, they don't change the outcome I'd reached in my provisional decision.

My final decision

For the reasons given above, and in my provisional decision, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 18 December 2025.

Mark O'Connor
Ombudsman