

The complaint

Mr and Mrs C complain that Bank of Scotland plc trading as Halifax will not reimburse funds they lost to a scam.

Mr and Mrs C are represented by a firm, but for ease I have only referred to Mr and Mrs C in this decision.

What happened

The background to this complaint is well known to both parties so I won't repeat it in detail here. In summary, from June 2024 to July 2024 Mr C paid over £29,000 from two accounts he has with Halifax towards what he thought was a genuine cryptocurrency investment.

Mr C said he was sent a message by someone claiming to be a broker offering an investment opportunity. He made the payments to cryptocurrency exchange platforms and then sent the funds on to the scammer. Mr C realised it was a scam when he was unable to withdraw his funds from the investment. He subsequently raised the matter with Halifax but it did not uphold his complaint.

Our Investigator did not think the complaint should be upheld. She thought Halifax ought to have intervened earlier than it did, but she didn't think it could reasonably have been expected to prevent the scam. Our investigator said Mr C opted to continue to make payments despite Halifax's intervention.

Mr and Mrs C didn't accept our Investigator's opinion, as such the complaint has been passed to me for a final 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 recognise that I have summarised this complaint in much less detail than has been provided. I want to reassure both parties that I have taken their submission into consideration and if I haven't mentioned something it isn't because I've ignored it. I haven't. Rather, I've focussed on setting out what is key to my decision.

I understand that Mr C has been the victim of a very cruel and sophisticated scam and I'm sorry he has lost a considerable sum of money. However, I must put aside my feelings and consider the complaint impartially. Having done so, I do not intend to uphold this complaint. I know this will come as a disappointment to Mr C, but I'll explain the reasons for the decision I reached.

It is common ground that Mr C authorised the payments. And in accordance with the Payment Services Regulations (2017) and the terms and conditions of the account, he is responsible for the loss. However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Halifax should have looked at the

wider circumstances surrounding the transaction before making the payment and taken steps to keep its customer's accounts safe. Therefore, it ought to look out for payments which might indicate that its customer is at risk of financial harm due to fraud.

I accept that not all payments for the purchase of cryptocurrency are fraudulent and many legitimate payments are made by customers. But I'm satisfied that by the time the payments were being made, Halifax ought fairly and reasonably to have recognised that its customers could be at an increased risk of fraud when using its services to purchase cryptocurrency and had appropriate systems for making checks and delivering warnings before it processed such payments.

I don't find the initial payments Mr C made significantly unusual to raise suspicion. However by the time Mr C made a payment of £2,393.08 on 18 June 2024, I think Halifax ought to have intervened. I say this because this was the second payment made on that day and it was made immediately after the first payment. Halifax ought reasonably to have recognised the payments were to a cryptocurrency platform and the risk this posed. And taking into consideration the cumulative value of the payments on that day, I think Halifax ought to have been concerned that Mr C might be at an increased risk of harm from fraud, enquired about the purpose of the payment and provided tailored warnings relevant to the scam risk it identified.

Although Halifax did not intervene at this point, it spoke to Mr C about a number of subsequent payments he made towards the scam. During these phone calls it questioned Mr C extensively to try to establish the circumstances surrounding the payments and I find Mr C's responses would likely have alleviated the concerns the agent's had.

Mr C doesn't think Halifax's intervention was sufficient. Even if I were to agree, I'm not persuaded Halifax could have uncovered the scam and prevented the loss had it probed further or provided more detailed and tailored warnings. I say this because, I find Mr C was determined to make the payments and provided misleading information when questioned. When asked, he confirmed that he was not being helped by a broker and he had not been asked to open his cryptocurrency wallet. Mr C also informed Halifax that he had found out about the cryptocurrency platform through a friend and crucially that he had met this individual face to face which we know was not the case. In light of this, and on balance of probabilities I think it is likely that Mr C would have continued to mislead Halifax had it questioned him further about the investment. When inaccurate or misleading information is provided, it can prevent Halifax from potentially uncovering a scam.

The agents warned that investing in cryptocurrency is high risk and to be prepared to lose his money which contradicts what he had been told by the scammer who had guaranteed a 100% return on losses. They mentioned advertisements that promised he could double or triple his returns in a short space of time and I think this ought to have concerned Mr C as he was told that investors had made 400% to 800% return on their investment. The agents also warned that the third-party business that is associated with the cryptocurrency platform he made payments to was not regulated by the Financial Conduct Authority and despite showing some initial concern, Mr C continued to make payments to the firm the following day. Halifax declined a payment for £10,000 he attempted to make to the cryptocurrency platform, Mr C subsequently made payment of the same value to a third party during which he was told that there should never be anyone guiding him, getting him to move money to a platform and then on from the platform. Despite this warning Mr C proceeded to make further payments toward the scam.

Overall, I think the warnings he was given ought reasonably to have resonated with Mr C and caused him to consider the matter more closely. It is clear from his interactions with the scammer that Mr C trusted them and believed that the investment was genuine. It follows

that I'm not persuaded further probing or better targeted warnings would have stopped Mr C making these payments.

Mr C made card payments to legitimate merchants for the purchase of cryptocurrency and a service was provided, therefore I am not persuaded there were any real prospects of recovering the loss.

I've thought carefully about all that's happened, I'm sorry that Mr and Mrs C have been left out of pocket by the scam and I sympathise with them. However I could only uphold the complaint and hold Halifax liable if I thought any failings on its part made a material difference, and I'm not persuaded that is the case here. Therefore, I can't fairly or reasonably require Halifax to reimburse the loss incurred.

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 C and Mrs C to accept or reject my decision before 8 January 2026.

Oluwatobi Balogun
Ombudsman