

The complaint

Mr and Mrs S, via a representative, has complained that Bank of Scotland plc trading as Halifax ("Halifax") failed to refund the money they lost as part of an investment scam.

I note that this is a joint account, but the person who mainly dealt with the scammers was Mr S. So I will refer to him and his actions for the most part in this decision.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mr and Mrs S were the victims of a series of scams. These included an initial investment scam and at least one recovery scam.

Mr S made 2 payments to the scammers from his Halifax account. These were made by transfer to an account he held with another current account provider. The funds were then sent on to a crypto exchange and then on to the scammers. These transfers totalled £20,500.

Mr S realised he had been scammed when ultimately, for each scam in turn, he was unable to either withdraw his profits or recover the funds that he had lost. Mr S asked Halifax to refund these payments, as he believes Halifax should have done more to prevent him from being scammed in the first place. Halifax did not agree with this.

One of our investigators looked into this matter and she initially thought that Mr S had not sufficiently evidenced the extent of the loss that Mr and Mrs S suffered. She then was provided with more evidence that demonstrated that the above funds had been sent to the scammer. However, she then did not think that Halifax, had it intervened appropriately, could have uncovered or prevented the scam due to how under the spell of the scammer Mr S was. She therefore did not uphold this complaint.

Mr and Mrs S did not agree with this and therefore this case has been passed to me to issue 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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is more likely to have (or would have) happened, in light of the available evidence and the wider circumstances.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this and this reflects the nature of our service as a free and informal alternative to the courts.

In broad terms, the starting position is that Halifax is expected to process payments and withdrawals that a customer authorises it to make. This should be in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

However, taking into account relevant law, regulatory rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Halifax should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Halifax sometimes does); and
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this instance I think that Halifax should have intervened more than it did, as the funds were being sent to what appears to be a new payee. Whilst Mr and Mrs S had sent large transfers before, two large transactions being sent on the same day, to a new payee, should really have prompted an intervention from Halifax. I think this is the case especially during the second transaction on 29 November 2024, which was for £15,500. That said I do not think that an intervention would have uncovered or stopped the scam

I say this because Mr S's other account providers did intervene on a number of occasions and there were a series of calls, online chats and warnings provided to Mr S. Mr S did not heed any of the warnings provided - even when these warnings included many features of the scams that Mr S was actually falling for. These included a warning about downloading remote access software; that guaranteed profits are a sign of a scam; that legitimate investments are not arranged on group chats; that scammers use fake trading platforms; and that scammers ask you to send money from crypto wallets to new wallet addresses as part of the scam.

These warnings did not resonate with Mr S either at the time or later in the scams.

I also can see that Mr S was being guided by the scammers to give answers to any interventions that were designed to obfuscate what the payments related to. For example, he said he was sending funds to other account providers to obtain better exchange rates for holidays; he said he was doing home renovations; and that he needed to transfer funds as his daughter was getting married. Also, Mr S asked the scammer what to say when questions were asked by his other account providers.

Given the above and given that Halifax was only required to take proportionate steps to try and protect Mr S from financial harm, I'm not persuaded he would've shared anything concerning with Halifax, had it questioned him more about what he was doing. So overall, I think that Halifax should possibly have intervened more than it did. But I do not think that this would have likely stopped or uncovered the scam or allowed Halifax to provide a warning that would have resonated with him.

I also think that, had Halifax stopped the payments entirely, Mr S would have sent the payments via other accounts or means. This is demonstrated by him asking the scammer what to do when payments were blocked.

I note Mr and Mrs S's representative's comments that, had Halifax contacted Mrs S about the transactions she would have been honest about what the payment was for - as she was not in contact with the scammer. I have carefully considered this point, but it is clear that Mr S was the driver of the payments in question and had Halifax contacted Mrs S I think it more likely than not that Mr S would have answered the questions asked on Mrs S's behalf. So I don't think that the scam could have been uncovered.

I've also thought about whether Halifax could have done more to recover the funds after Mr S reported the fraud.

Halifax are under no obligation to refund the money under any of the reimbursement schemes, as the funds were sent to accounts in Mr S's own name. So I don't think that the funds could have been recovered by other means.

I note that Mr S is vulnerable for a variety of reasons, But I can't see that Halifax was aware of this prior to the scams. So I can't say that Halifax has acted unfairly for not adjusting how it communicated with Mr S, when it was not aware it may need to do so.

I appreciate this will likely come as a great disappointment to Mr and Mrs S, and I'm sorry to hear they have been the victim of a number of scams. However, whilst I have a great deal of sympathy for the situation that Mr and Mrs S found themselves in, I'm not persuaded that Halifax can fairly or reasonably be held liable for their loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 11 February 2026.

Charlie Newton
Ombudsman