

The complaint

Mrs C, has complained that Bank of Scotland plc trading as Halifax (“Halifax”) failed to refund the money she lost as part of an investment scam.

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, Mrs C came across someone on social media that purported to be a trader, but was actually a scammer she introduced Mrs C to a company that was purported to be an investment firm but was actually a scam company. I will call the scam company B.

Mrs C then made over 60 payments to B. These were made by a combination of faster payments and debit card payments to a crypto exchange account that she held. Some of these payments were sent via open banking. Others were sent via a third-party payment processor. The funds were then converted into crypto and were sent to B. The payments made from Mrs C’s Halifax account totalled over £60,000 and took place between July 2024 and February 2025.

Mrs C realised she had been scammed when she was unable to withdraw her investment profits, without paying a series of additional fees. Mrs C asked Halifax to refund these payments, as she believes Halifax should have done more to prevent her from being scammed in the first place. Halifax decided to credit her with a 50% refund of the money she lost from the scam starting from a payment that was made in August 2024 (which was payment 19 in the scam).

One of our investigators looked into this matter and he thought that any intervention from Halifax would not have stopped the scam. He said this because he believed that Mrs C was under the spell of the scammer. He therefore said that he could not ask Halifax to do more than it already had done.

Mrs C 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

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 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.

I can see that Halifax intervened multiple times during the scam. The interventions consisted of phone calls and branch visits. I can also see that her other account providers also displayed a number of online warnings during the scam. During the phone calls and branch visits, Mrs C was warned on a number of occasions that what she was doing sounded like a scam. It also set out what investments scams typically looked like, including the exact features of the scam that Mrs C was actually falling for. Despite all of these warnings, Mrs C chose to keep making the payments to B.

During the phone calls and branch visits Mrs C also gave answers that were misleading which prevented Halifax from uncovering the scam. Some examples are that she said she had found the investment on her own; she said nobody that she had met online was guiding her. She also insinuated that she was not sending the funds on from her crypto account and she was holding the crypto in place. I can also see that the scammer was telling Mrs C what to say, to avoid payments being stopped and that she trusted that the scammer was legitimate.

I think that Halifax should have intervened again later in the scam. But given how Mrs C reacted to the earlier warnings and interventions, I see no reason why she would've acted any differently had further interventions taken place.

So overall, I think that Halifax should 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 relevant warning that would have resonated with her.

Finally, as Mrs C completely trusted the scammer, I think that even if Halifax had gone so far as to block the payments entirely, despite Mrs C's assurances that she wasn't being scammed, I think it more likely than not that she would have found a different way to make the payments.

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

Halifax are under no obligation to refund the money, as the Contingent Reimbursement Model and Authorised Push Payment Reimbursement Scheme does not cover transfers to an account in the customer's own name.

I should say, for the sake of completeness, that even if I thought that Halifax could have prevented the scam, and I don't think that it could have, I think that the point that the scam could even have potentially have been stopped is the same point from which Halifax have already refunded 50% of the transactions in question.

I say this because prior to that point, given the size and pattern of the payments, I would have only expected Halifax at most to provide an online warning. But it is clear that warnings did not resonate with Mrs C.

It is only at payment 19 that I think Halifax should have carried out a human intervention so this the earliest that the scam could even have been potentially stopped.

I also agree with Halifax that Mrs C contributed to her loss, given that she ignored warnings and intentionally provided mis-leading answers to questions about the transactions she was making.

The returns promised by the scammer were also unrealistic enough to have prompted Mrs C to question if what she was being offered was too good to be true. So I would agree that a 50% deduction to any redress would have been merited.

Taking this all into consideration even if I thought the scam could have been stopped, and again I don't think that it could have been, I would have recommended the same redress that has already been paid.

I appreciate this will likely come as a great disappointment to Mrs C, and I'm sorry to hear she has been the victim of a scam. However, whilst I have a great deal of sympathy for the situation that Mrs C found herself in, I'm not persuaded that Halifax needs to do anything more.

My final decision

For the reasons given above, I do not uphold this complaint as Halifax does not need to do anything more to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 19 March 2026.

Charlie Newton

Ombudsman