

The complaint

Ms S complains that Bank of Scotland plc trading as Halifax ('BOS') didn't take adequate steps to protect her from an investment scam. While BOS partially upheld her complaint, she wants all her payments made as part of the scam refunded along with interest and to be paid compensation for the upset she has been caused.

Ms S is represented by a third party but for ease of reference I have referred to Ms S throughout this decision.

What happened

Ms S said that she was the victim of an investment scam in which she made the following payments from her BOS account.

Payment	Date	Amount	Method	Merchant
1	17/06/2024	£770.00	Faster payment	Cryptocurrency platform
2	28/06/2024	£1,700.00	Faster payment	Cryptocurrency platform
3	05/07/2024	£1,800.00	Faster payment	Cryptocurrency platform
4	05/07/2024	£1,900.00	Faster payment	Cryptocurrency platform
5	05/07/2024	£1,300.00	Faster payment	Cryptocurrency platform
6	18/07/2024	£839.00	Faster payment	Cryptocurrency platform
7	18/07/2024	£400.00	Faster payment	Cryptocurrency platform
8	24/07/2024	£3,923.28	International payment	
9	30/07/2024	£5,900.00	International payment	
10	01/08/2024	£2,345.13	International payment	
11	16/08/2024	£1,118.00	Faster payment	Cryptocurrency platform
12	21/08/2024	£1,371.00	Faster payment	Cryptocurrency platform
13	26/08/2024	£2,500.00	Faster payment	Cryptocurrency platform
14	26/08/2024	£4,014.00	Faster payment	Cryptocurrency platform
15	26/08/2024	£2,484.00	Faster payment	Cryptocurrency platform
16	26/08/2024	£8,366.70	Faster payment	Cryptocurrency platform
17	26/08/2024	£6,265.64	Faster payment	Cryptocurrency platform
18	27/08/2024	£7,961.10	Faster payment	Cryptocurrency platform

19	28/08/2024	£4,000.00	Faster payment	Cryptocurrency platform
20	28/08/2024	£2,000.00	Faster payment	Cryptocurrency platform
21	28/08/2024	£2,217.00	Faster payment	Cryptocurrency platform
22	30/08/2024	£2,230.00	Faster payment	Cryptocurrency platform
23	30/08/2024	£2,000.00	Faster payment	Cryptocurrency platform
24	02/09/2024	£2,211.00	Faster payment	Cryptocurrency platform
25	02/09/2024	£2,000.00	Faster payment	Cryptocurrency platform
26	06/09/2024	£1,000.00	Faster payment	Cryptocurrency platform

Ms S said she saw an advertisement about an investment opportunity, and she completed the online enquiry form. She was contacted through a messaging service by people saying they worked for the investment company. Ms S thought she would be building a portfolio of investments. Ms S said she was provided with an account and set her own password. She received a verification email asking for her bank details and identification documents. She was instructed to download a cryptocurrency account and remote access software. Ms S said that when her account was showing a profit, she tried to withdraw her money but was asked to pay interest and additional fees. Ms S continued to make payments until September 2024 when she spoke to a family member and discovered she had fallen victim to a scam. She raised a complaint with BOS.

BOS accepted that it could have done more to protect Ms S. It explained that the payments weren't covered by the Contingent Reimbursement Code (CRM) and as the payments were made to a beneficiary known to Ms S and through open banking the early payments didn't raise concerns. However, payment 16 marked a deviation from Ms S's usual account activity, with the payment being for a much higher than usual amount. Therefore, it said stronger intervention should have happened at that point. It found that Ms S also had a responsibility to be more transparent and vigilant and so it said it would refund 50% of all payments made from payment 16. It also paid £50 as an apology.

Ms S thought that BOS should have intervened sooner and referred her complaint to this service.

Our investigator didn't think that the value of payments one to three meant that BOS should have intervened in these payments. However, they thought that payment four should have been recognised as carrying a heightened risk of financial harm from fraud noting that this was the second payment within a minute to a cryptocurrency platform with the payment having a combined total of £3,700. Our investigator thought BOS should have sent a tailored automated warning at this point. However our investigator wasn't persuaded that this would have prevented Ms S from making the payment given the advice she was accepting from the scammers and the responses given when the intervention call took place at payment eight. Our investigator didn't think any further intervention was needed until payment fourteen at which point they thought a further tailored automated warning should have been sent. However, they weren't persuaded that this would have prevented Ms S from making the payment.

Our investigator thought that human intervention was required at payment 16 and that had this happened the scam might have been identified. BOS accepted joint liability from payment 16 and our investigator thought this was a fair outcome.

Ms S didn't accept our investigator's view. She said that had BOS intervened at payment four as the investigator had said should have happened, she would have taken stock and as she hadn't been involved in the scam for long, she wouldn't have been so under the scammers spell as she was by payment eight. She said that intervention at payment four could have prevented payments from that point.

Ms S said that she wasn't a sophisticated investor and so she didn't see the risks presented by the use of a messaging service and that she was taken in by professional scammers. Ms S also noted the Consumer Duty principles that required BOS to avoid causing harm to retail customers which she said hadn't happened in her case.

Our investigator responded to Ms S's comments but as their view didn't change, and a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue a 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 am sorry to hear of the experience Ms S has had and I do not underestimate the financial and emotional impact this has had. But for me to uphold this complaint I would need to be persuaded that BOS should have done more to protect Ms S and that had it done so, the scam would have been identified and the payments prevented. I further need to consider the action that BOS has taken in response to the complaint raised and whether this is reasonable.

Ms S authorised the payments and under the Payment Service Regulations 2017, the starting point is that she is liable for the payments she authorised. However, BOS should have systems in place to look out for out of character or unusual transactions, or other signs that might indicate that its customers are at risk of fraud.

Ms S was an existing customer of BOS and so it had access to her account history. Having looked through her statements I can see she used her account for general spending and her regular commitments. These transactions tended to be relatively low value with a few payments in the hundreds of pounds. While I accept that payments one to three were for higher amounts than was unusual for Ms S, I do not think they were individually at a value that meant BOS was required to intervene. The payments were taking place a few days apart so not suggesting that Ms S was being pressured into making them and were being made to an account in Ms S's name. While the payments were to a cryptocurrency platform, Ms S had made a £800 payment to the same platform around a year earlier.

However, payment four was made immediately after payment three and brought the total payment in that day to £3,700. Given this, I agree with our investigator that this should have raised concerns that Ms S may be at risk of financial harm from fraud and that BOS should have intervened. Given the history of payments and the values, I think that a tailored automated warning would have been proportionate at this point. While I cannot say for certain what Ms S's response to this would have been, she has said that she was told by the scammers that it wasn't the bank's business how she used her money and if asked to say she was buying furniture or sending money to a friend.

On the intervention call at payment eight, Ms S was provided with information about scams and asked questions about her payment which she confirmed as being made to a friend. I

have considered Ms S's point that earlier intervention would have been when she had been in communication with the scammers for less time, but I think, on balance, that based on the information that has been provided, an automated warning at payment four would unlikely have stopped Ms S from making further payments.

Ms S made a further payment on 5 July 2024 and then two more payments for much lower amounts around two weeks later. I do not think further intervention was needed in these payments. BOS called Ms S about payment eight which was an international payment. I find this reasonable. I have listened to the call and Ms S confirmed the payment was being made to a friend for a holiday and that she hadn't been told what to say in response to questions. She was provided with warnings and made aware of the risks of scams. Following this Ms S decided to go ahead with this and two further international payments.

Ms S made further payments to the cryptocurrency platform and given the value of these I don't think that further intervention was required until payment fourteen. Again, I think a tailored warning should have been given. However, considering the evidence provided, I am not persuaded that a warning at this point would have prevented the payments being made.

Payment 16 was for a much larger amount and should have triggered concerns of financial harm. At this point I agree that BOS should have done more and that human intervention should have happened. I cannot say what Ms S would have said had she been called, but I think that had specific and robust questions been asked then the scam could have been identified. As BOS has upheld Ms S's claim from this payment, I find that a fair outcome.

I note the comment made about Consumer Duty and I have considered this along with all other relevant rules and regulations but for the reasons set out above, while I think BOS should have done more, I find the uphold from payment 16 is reasonable.

I note the comments made about Ms S not being a sophisticated investor and the professional nature of the scam. I do not doubt that she trusted the information she was being given. However, I also note that Ms S said she didn't do any research into the investment. Given the amounts she was investing I think it would have been reasonable to expect her to have done some of her own checks. I also note she was told to give misleading information to her bank if her payments were questioned which I think should have raised concerns. Therefore, I think it reasonable in this case that the liability from payment 16 is split between Ms S and BOS, as set out in BOS's final response.

I understand that my decision will be disappointing for Ms S and that she wanted more of her payments refunded. But in this case, I find the outcome set out in BOS's final response is fair.

My final decision

My final decision is that I do not require Bank of Scotland plc trading as Halifax to take any further action in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 30 April 2026.

Jane Archer
Ombudsman