

## THE COMPLAINT

Mr B's complaint is about Bank of Scotland plc (trading as Halifax).

Mr B is represented in this matter. However, where appropriate, I will refer to Mr B solely in this decision for ease of reading.

## WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

In summary, Mr B says he was deceived by multiple scammers into making card and fund transfer payments to what he believed were legitimate investment opportunities.

Although Mr B is represented, the investigator at first instance spoke directly with him by telephone to better understand his complaint. During that call, Mr B explained that he believed he had been the victim of five separate scams:

- **Scam 1** – Cryptocurrency investment with CoinPro (approximately July 2018 to March 2019), with losses of around £1 million (excluding any credits or returns).
- **Scam 2** – Cryptocurrency investment with F2CPro (approximately May 2019 to February 2022), with losses of around £991,000 (excluding any credits or returns).
  - **Scam 3** (potentially linked to Scam 2) – Cryptocurrency investment with Credit EU Bank.
- **Scam 4** – Coinbase and Ethereum mining (approximately June 2022 to September 2022), with losses of around £306,000 (excluding any credits or returns).
- **Scam 5** – Trading in gold/currency (approximately September 2022 to November 2023), with losses of around £347,000 (excluding any credits or returns).

I do not find it necessary to set out a list of all the individual payment transactions in question. I say this given the volume and the fact that the investigator listed them out in her assessment.

Mr B disputed the above with Halifax. Unhappy with its response, he referred his complaint to this Service.

The investigator set up four separate complaints for Mr B, each with its own reference number. As Scams 2 and 3 appeared to be linked, these were considered together under a single complaint and reference number. The investigator considered all the complaints and did not uphold any of them.

As Mr B did not accept the investigator's findings, all complaints have now been referred to me for decision.

This decision addresses Scam 1.

## **WHAT I HAVE 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 find that the investigator at first instance was right to reach the conclusion she did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

### **Preliminary issues**

It should be noted that I have already issued a jurisdiction decision setting out which payment transactions relating to Scam 1 I am unable to consider due to time limits. This decision therefore addresses only those payment transactions relating to Scam 1 that fall within my jurisdiction, namely those made on or after 4 December 2018 (see linked jurisdiction decision).

Having listened to Mr B's telephone call with the investigator, I note some inconsistencies between Mr B's account and that provided by his representatives, particularly in relation to dates, the number of alleged scams and the payment transactions involved. Where possible, I have sought to reconcile these differences by placing greater weight on the information Mr B provided directly to the investigator.

### **Should Halifax have recognised that Mr B was at risk of financial harm from fraud?**

The investigator concluded that Mr B's international payment of £500,000, made on 6 December 2018 in connection with Scam 1, ought to have triggered Halifax's fraud detection systems. This payment transaction is referred to as Payment 20 in the investigator's assessment.

I agree that this payment transaction ought to have triggered Halifax's fraud detection systems, given its significant value and the fact it was international. However, in my view, there was an earlier trigger point in this case.

I find that Halifax ought to have intervened when Mr B made a £7,000 card payment to XtraderFX on 4 December 2018. Notably, this is the first payment transaction in relation to Scam 1 that falls within my jurisdiction. The investigator referred to this transaction as Payment 18 in her assessment, and for consistency I will do the same.

The Financial Conduct Authority (FCA) published a warning about XtraderFX on 6 July 2018. I would have expected this information to have appeared on Halifax's watchlist within a month of its publication. In those circumstances, Payment 18 ought to have triggered

Halifax's fraud detection systems, prompting it to intervene in an attempt to protect Mr B from financial harm.

**What kind of intervention should Halifax have carried out regarding Payment 18?**

In my view, a proportionate intervention to the risk identified would have been for Halifax to carry out a human intervention. That is, I would have expected Halifax to have telephoned Mr B to discuss Payment 18 before releasing it.

**If Halifax had carried out the intervention described, would that have prevented the losses Mr B suffered from Payment 18?**

I have explained why it would have been reasonable for Payment 18 to have triggered an intervention from Halifax. So, I must now turn to causation. Put simply, I need to consider whether Halifax's failure to intervene caused Mr B's losses. To do this, I need to reflect on whether such an intervention (described above) would have likely made any difference. Having done so, I am not persuaded that it would have. I take the view that, on the balance of probabilities, Mr B would have frustrated Halifax's attempt to intervene to protect him from financial harm.

I have reached this conclusion after considering the following factors in the round.

First, I have taken into account telephone calls in which Halifax agents spoke with Mr B about attempted payment transactions relating to Scam 1. These calls took place before Payment 18, and therefore prior to 4 December 2018. As such, I do not have the authority to consider whether these calls were proportionate (see linked jurisdiction decision). However, I am entitled to take those calls into account insofar as they assist me in assessing how Mr B would, on the balance of probabilities, have responded to a telephone intervention in relation to Payment 18.

During a telephone call in July 2018, a Halifax agent questioned Mr B about a payment transaction he was attempting to make in connection with Scam 1. In response, Mr B said that he was having second thoughts about the payment transaction and that he intended to speak again with the person advising him before proceeding.

In a further telephone call in the same month, Mr B again spoke with Halifax about another attempted payment in connection with Scam 1. On that occasion, Mr B said that he was confident about proceeding with the payment and that, having carried out his own research, he was satisfied with CoinPro.

Taken together, these calls suggest that Mr B initially had some reservations about CoinPro. However, after further discussions with the scammers, and following what he described as his own research, he became sufficiently reassured and chose to proceed with the payment transactions.

Secondly, I have listened to a telephone call in which the investigator spoke with Mr B about, amongst other things, the telephone calls referred to above. During that conversation, Mr B confirmed that although he took Halifax's advice regarding the payment transaction into account, he nevertheless wished to proceed. He explained that he believed he had carried out appropriate due diligence, was convinced that CoinPro was legitimate and understood that he was dealing with a genuine company, with whom he was in daily contact. In short, Mr B accepts that he chose not to heed Halifax's advice, as he believed everything was above board.

Thirdly, Mr B saw apparent profits on the trading platform he was using and also received returns. I am satisfied that these profits and returns would have further reassured Mr B that he was dealing with a legitimate company.

Fourthly, Mr B contacted Halifax in June 2019 to dispute a number of payment transactions relating to Scam 1 and said that he believed he had been scammed. Despite this, he went on to make further payments in connection with Scam 1. This indicates that, notwithstanding his expressed concerns, Mr B remained sufficiently persuaded of the legitimacy of the investment to continue making payments.

Fifthly, in assessing how Mr B would likely have responded to a telephone intervention in relation to Payment 18, I consider it important to have regard to the wider context of this complaint. In particular, Mr B fell victim to a number of scams over a sustained period and in close succession. This provides relevant evidence of his mindset at the time and his vulnerability to investment scams of the type concerned. While the specific circumstances of each scam differ, they share a common feature: in each case, Mr B was advised or guided by third parties in relation to investment opportunities. The evidence indicates that Mr B placed significant trust in those individuals and, ultimately, prioritised their assurances over those of Halifax.

I have listened to more than 20 telephone calls between Mr B and Halifax relating to the scams in question. In a number of those calls, Halifax agents robustly challenged Mr B and provided relevant warnings about investment and cryptocurrency related risks. Despite this, Mr B chose to proceed with his payment transactions and placed greater reliance on the assurances he had received from the scammers. In several calls, Mr B also expressed frustration at Halifax for preventing or delaying payment transactions, and on many occasions raised complaints as a result.

In my judgment, above factors are cumulatively persuasive. When assessed together, they indicate that had Halifax intervened in relation to Payment 18 in the manner described above, it is likely that Mr B would have frustrated that intervention. I am therefore not persuaded that Halifax would, on the balance of probabilities, have been able to dissuade Mr B or prevent his losses by intervening at that stage.

I acknowledge that, had Halifax intervened in relation to Payment 18, it ought to have made Mr B aware of the FCA's warning about XtraderFX. However, Halifax was required to strike an appropriate balance between its obligation to execute Mr B's payment instructions and its regulatory expectation to take reasonable steps to protect him from financial harm. Given the factors I have set out above, I find it likely that Mr B would have wished to proceed with the payment regardless of any such intervention. Alternatively, and consistent with his actions in July 2018, it is likely that he would have sought further reassurance from those advising him before proceeding.

### **Other points**

- Given the volume of payment transactions in this case, I have considered them holistically. Having done so, I accept that it is arguable that some payment transactions made after Payment 18 ought to have triggered Halifax's fraud detection systems, and that certain interventions which did occur could have been more effective. However, I am not satisfied that any such intervention – whether later, or improved – would, on the balance of probabilities, have led to a different outcome from that which I have set out above in relation to Payment 18. This conclusion applies equally to transactions made after Mr B reported the scam in June 2019.

- I note that it has been argued that Halifax ought to have invoked the Banking Protocol. From the evidence available, there were several occasions on which Halifax partially applied the Protocol, including asking Mr B to attend branch. I am satisfied of this from Mr B's submissions and from telephone calls I have listened to which took place while he was in branch. Having regard to what Mr B told Halifax during those branch interactions, and bearing in mind the type of financial crime the Banking Protocol is primarily designed to address, I would not have expected Halifax to escalate matters further by engaging the second stage of the Protocol, namely contacting the police. In any event, even if the police had been contacted, I am not persuaded, on the balance of probabilities, that this would have prevented Mr B's losses.
- In reaching the above conclusions, I have been mindful of the wider context in which the relevant payment transactions were made. Mr B's payments relating to Scam 1 took place in 2018 and 2019 and were cryptocurrency related. I recognise that scams involving cryptocurrency were becoming increasingly prevalent at that time. However, the cryptocurrency landscape during that period was materially different from how it later developed. Against that backdrop, I am satisfied that it was reasonable for Halifax to take account of a range of factors relevant to 2018 and 2019 when deciding whether further enquiries or interventions were warranted.
- I am not persuaded this is a case where Halifax, contrary to Mr B's instructions, should have refused to put his payment transactions through.
- Turning to the question of recovery, I am not satisfied that there was anything further Halifax could reasonably have done:
  - Regarding Mr B's card payments, I am satisfied that Mr B had no chargeback rights in relation to his card payments. Chargeback is a voluntary scheme, and firms are under no duty to submit a claim. The scheme operator may adjudicate disputes, but only within narrow scheme-specific rules. The purchase or exchange of cryptocurrency falls outside the scope of the relevant chargeback scheme because the services were delivered as intended, including by any payment processor. As such, any chargeback claim would have had minimal prospects of success, and it would not have been reasonable to expect Halifax to raise one on Mr B's behalf. Alternatively, it would now be too late to raise a chargeback claim.
  - Regarding Mr B's fund transfers, some of them were made from his Halifax account to other accounts in his name. After that point, the funds were either sent directly to the scammers or, if not, should still have been available for Mr B to withdraw. Additionally, because the payments were used to purchase cryptocurrency – and were forwarded in that form – no recoverable balance would have remained.
  - In any event, even if Halifax had taken prompt action once the fraud was reported, the chances of reclaiming any of Mr B's money were minimal given the delay between the payments and the report, and the fact some were international payments. Scammers tend to move their ill-gotten gains immediately to prevent recovery.
- Turning to distress and/or inconvenience, I have considered whether an award is warranted in this matter. Having done so, I am not persuaded that it is. I have not found any errors in Halifax's investigation. Any distress and/or inconvenience Mr B

has experienced is a result of the scammers' actions — not Halifax's.

### **Conclusion**

Taking all the above points together, I do not find that Halifax has done anything wrong. Therefore, I will not be directing Halifax to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

### **MY FINAL DECISION**

For the reasons set out above, 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 B to accept or reject my decision before 29 May 2026.

Tony Massiah  
**Ombudsman**