

## The complaint

Mr B complains that Bank of Scotland plc trading as Halifax ("Halifax") have failed to refund money that Mr B lost as part of an investment scam.

## What happened

Mr B was contacted by someone who said they worked for a Bitcoin trading company that I will call B. From what I understand he made the following payments the first payment seems to have been for a trading course which was made via debit card and the remaining payments were transfers to Foris Dax Mt Limit which trades as Crypto.com. My understanding is that the funds were used to buy cryptocurrencies and were then forwarded onto B.

The transactions made were as follows;

Transaction Number	Date	Merchant	Amount	Running Total
1	03/05/2022	Traderschool	£210.44	£210.44
2	09/05/2022	Foris Dax Mt Limit	£900	£1,110.44
3	24/05/2022	Foris Dax Mt Limit	£5,000	£6,110.44
4	13/06/2022	Foris Dax Mt Limit	£3,200	£9,310.44
5	13/06/2022	Foris Dax Mt Limit	£1,870	£11,180.44

After seeing his balance with B increase for a few weeks to around £28,000 Mr B attempted to withdraw some of the funds but was told that he had to pay additional money in order to do this. At this point Mr B realised that he had been scammed.

Mr B raised a complaint with Halifax as he believed that Halifax should have stopped him from making the payments in question.

One of our investigators looked into this matter they decided that the transactions were not sufficiently out of character to warrant an intervention by Halifax and that there was no other means of Halifax recovering the funds.

Mr B did not agree with this and therefore his complaint was 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:

It isn't in dispute that Mr B authorised the disputed payments he made to firstly to the Traderschool using his debit card and subsequently to Crypto.com. The payments were requested by him using his legitimate security credentials provided by Halifax, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

However, I've considered whether Halifax should have done more to prevent Mr B from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character. However, having taken Mr B's account activity and limited payment history into account, I do not think the payments he is disputing should have been regarded as particularly unusual.

The payments were not of such a large amount that they would represent a significant deviation from what would be considered as 'usual' activity. I say this because I can see a number of large transfers from Mr B's account prior to the scam transactions, such as £8,500 in November 2021, a few transactions of around £5,000 in the months prior to the scam and a transaction of £4,000 just before the transaction on 24 May 2022.

So, having considered the payments Mr B made, I'm not persuaded there was anything that ought reasonably to have triggered Halifax's fraud monitoring systems or that would have indicated he was in the process of being scammed. I therefore do not consider there to have been any obligation on Halifax to have intervened any further.

I do note that the second transaction did trigger Halifax to issue an online warning as the money was being transferred to an institution that did not participate in Confirmation of Payee but given the above Halifax did not need to do anything more than this.

I've also thought about whether Halifax did enough to attempt to recover the money Mr B lost. In relation to the first payment as this was made with a debit card there are some circumstances where a chargeback would be successful.

But in this case, I do not believe that a chargeback would not have been successful, as the transaction Mr B used his debit card for was to pay Traderschool to register for its trading platform. Mr B has not provided anything that demonstrates that he was not provided with the service he paid for.

In relation to the transfers the Contingency Reimbursement Model (CRM) does not apply to transfers made to an account in the customers own name and in this instance Mr B was transferring funds to an account with Crypto.com that was in his own name.

I appreciate this will come as a disappointment to Mr B, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Halifax can fairly or reasonably be held liable for his 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 Mr B to accept or reject my decision before 15 November 2023.

Charlie Newton  
**Ombudsman**