

The complaint

Mr A complains that Bank of Scotland plc (trading as Halifax) have refused to refund £5,600 he lost to a cryptocurrency investment scam in September 2022.

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I'll focus on giving the reasons for my 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 disputed that Mr A authorised the disputed payments he made to his cryptocurrency wallets using his Halifax debit card (where his funds were subsequently transferred on to the scammers). 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.
- I've considered whether Halifax should have done more to prevent Mr A 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.
- Having reviewed the first two payments made by Mr A, I don't think these were enough in themselves to have warranted an intervention by Halifax, as they were of a relatively low value. I recognise the third payment Mr A made on 5 September 2022 of £4,500 was a large amount of money. But when compared to Mr A's previous spend in the weeks leading up to the scam, I don't think it was unusual enough for Halifax to have intervened. For example, Mr A made a payment of £5,000 on 28 July 2022 and £5,000 on 2 September 2022. I recognise Mr A feels the larger transactions were to legitimate payees but so were all the disputed transactions. Not all cryptocurrency payments are made as the result of a scam and I don't think Mr A paying a cryptocurrency exchange alone should have caused Halifax concern when the size of the payment was unusual for him.
- So having considered the payments Mr A made, I'm not persuaded there was anything that ought to reasonably have triggered Halifax's fraud monitoring systems, or that would have indicated he was in the process of being scammed.

I appreciate this will likely come as a disappointment to Mr A, and I'm sorry to hear he's been the victim of a cruel scam. But I don't think it would be fair or reasonable to hold Halifax liable for his loss.

My final decision

My final decision is, despite my natural sympathies for Mr A's loss, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 January 2024.

Dolores Njemanze
Ombudsman