

## **The complaint**

Ms R complains that Bank of Scotland plc trading as Halifax (“Halifax”) have failed to refund over £1,900 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.

## **But in summary;**

Ms R was approached by a fraudster that I will call B. They persuaded Ms R that they were experts in trading crypto. Ms R sent funds to two crypto exchanges that was forwarded onto B. These transactions totalled around £1,900.

Ms R subsequently tried to withdraw the “profits” that she had made but was told that she was unable to do so unless she paid further fees. It was at this point that Ms R found out that she had been scammed.

Ms R complained to Halifax regarding this but they declined to refund the disputed transactions. One of our investigators looked into this matter and they did not think that that the payments made were out of character for Ms R’s account and therefore that Halifax did nothing wrong in not preventing the payments.

Ms R disagreed and therefore this complaint was referred to me 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.

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

It isn’t in dispute that Ms R authorised the disputed payments she made using her Halifax debit card (where her funds were subsequently transferred on to the scammers from her crypto wallet). The payments were requested by her using her 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 Ms R 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 Ms R’s account activity I do not think the payments she is disputing should have been regarded as particularly unusual.

I appreciate that overall, Ms R has lost over £1,900 which is a significant amount of money. But this amount wasn't paid in one single large or 'out of character' transaction. It was spread over several smaller increments which, in my judgment, would not have appeared particularly unusual or out of character when compared with Ms R's spending history with Halifax. I don't think that they ought to have been regarded as suspicious or indicating that she might have been at risk of falling victim to a scam.

The payments were not of such a large amount (largest payment was £540) that they would represent a significant deviation from what would be considered as 'usual' activity. Her Halifax account seemed to have been used to trade crypto and she had made larger payments to other exchanges in the past.

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

I've also thought about whether Halifax did enough to attempt to recover the money Ms R lost, as there are some instances where debit card transactions can be refunded through making a chargeback claim.

In this case, a chargeback would not have been successful, as the transactions Ms R used her debit card for was to pay crypto exchanges for the purchase of cryptocurrency, which she duly received. The money was subsequently lost from the crypto platform when she transferred the funds to the scammer. So, she could not claim that she did not receive the goods or services paid for from her Halifax account, which was the purchase of the cryptocurrency. As a result, I don't think Halifax have acted unreasonably by not pursuing a chargeback claim here.

I appreciate this will come as a disappointment to Ms R, and I'm sorry to hear she has been the victim of a cruel scam. However, I'm not persuaded that Halifax can fairly or reasonably be held liable for her 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 Ms R to accept or reject my decision before 13 October 2023.

Charlie Newton  
**Ombudsman**