

The complaint

Miss R complains that Bank of Scotland plc (trading as Halifax) won't refund £500 she lost to an investment scam.

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 in dispute that Miss R authorised a faster payment of £500 to a legitimate cryptocurrency exchange on 19 September 2023 from her Halifax account (where funds were subsequently transferred on to the scammers crypto wallet). The payment was requested by her using her legitimate security credentials, and the starting point 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 identify that Miss R could be falling victim to a 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 unusual and out of character.
- I appreciate that Miss R has lost £500 to a scam, and I'm sorry to hear about the loss she has suffered. I've not seen that this payment was flagged as suspicious with Halifax and I don't think this payment would have represented a larger or 'out of character' transaction, such that Halifax ought to have regarded it as suspicious indicating that she might have been at risk of falling victim to a scam. The payment was not of such an amount, for example, that it would represent a significant deviation from the way Miss R's account has been used in the past.
- I recognise Miss R says faster payments she'd made before were to existing payees and there have been occasions where Halifax's fraud team intervened on much lower value payments. I can appreciate from her perspective, based on her experience of much lower value payments attracting attention from Halifax's fraud team, that its intervention reasoning doesn't appear to be all that consistent. But I cannot tell Halifax how it should monitor its accounts, I can only consider whether I think the disputed payment ought to have reasonably stood out as suspicious to Halifax based on various things this includes (but is not limited to); what its regulator says it should be doing or good industry practice. But having considered the single payment made to a legitimate cryptocurrency exchange, I'm not persuaded that 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 appreciate Miss R has said she's never used her account to trade before – I understand this – but I don't think this reason alone was sufficient for Halifax to believe that it could be made as the result of a scam.

I appreciate this will likely come as a disappointment to Miss R and I'm sorry that she's lost this money to such a cruel scam. However, I'm not persuaded Halifax can fairly be held responsible for her loss.

My final decision

My final decision is, despite my natural sympathy for Miss R's loss, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 20 March 2024.

Dolores Njemanze
Ombudsman