

The complaint

Mr S complains that Lloyds Bank PLC (Lloyds) won't refund money he lost in an investment.

What happened

What Mr S says:

Mr S says he was led into an investment with a company dealing in renewables by an 'investment advisor'. I will call the firm 'company A'. He made an investment in April 2018 for £10,000 and was given a bond certificate - the interest was to be 9% per annum. The payment (and receipts) were:

Date	Payment	Amount
13 April 2018	Faster payment to company A	£10,000
14 September 2018	Received from company A	£305.75
14 December 2018	Received from company A	£177.53
16 April 2019	Received from company A	£175.56
Net loss		£9,341.16

Mr S received returns of £658.84, but then nothing more – and he couldn't withdraw the funds either.

Mr S says the payment was out of character and Lloyds should've done more to protect him. If the bank had, he wouldn't have lost the money. He says Lloyds should refund £9,341.16 plus interest at 8% per annum, and compensation of £1,000. **(continued)**

What Lloyds said:

Lloyds said they didn't intervene in Mr S' payment as he had made faster payments of similar amounts before. And it's quite usual to see one off payments to a new payee.

Lloyds said the payment was made to a legitimate company, which later went into liquidation; the bank said Mr S should approach company A's liquidators. Therefore, Lloyds

didn't refund any money.

Our investigation so far:

Mr S brought his complaint to us. Our investigator didn't uphold it, saying the payment was normal for Mr S to make – he had made another payment for £10,000 in July 2017. Therefore Lloyds didn't need to intervene and contact Mr S about it.

Mr S didn't agree. He said the payment was unusual. It wasn't fair to consider the previous (one off) payment of £10,000 as being typical of his account usage. He asked that an ombudsman look at his complaint, and so it has come to me to make 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.

I am not upholding Mr S's complaint – but for different reasons to those of our investigator.

I need to decide whether this was a scam (where a scammer takes money from a customer with no intention of providing any services or returning the money to them) or a civil dispute (where a payment is made to a legitimate trading company or business, but the promised services or products don't materialise, or are sub-standard).

If this was a scam – then banks (including Lloyds) must follow industry and regulatory guidance to check certain payments and in some circumstances, protect customers by stopping the payments and contacting them. And where banks haven't followed the guidance, they can be asked to refund them. This is called 'Authorised Push Payments guidance (APP).

To give an idea, typical scams are commonly perpetrated by criminals through illegal call centres - for example, scams relating to online banking, or tricking customers into transferring funds to a 'safe account', and romance or investment scams using social media. But where payments are made to a valid business for work to be done, then such principles don't apply. This is then classed as a civil dispute, and for which banks normally have no liability.

I therefore looked at Mr S's complaint with this in mind. I can see this is clearly a civil dispute between Mr S and company A. I say that as:

- Company A was a trading company and filed accounts at Companies House.
- Company A went into administration in April 2022 and then into liquidation in April 2024.
- I can see Mr S lodged a claim to company A's administrator in June 2022.
- Mr S did get some returns from the investment – he received £658.84 between September 2018 and April 2019. So, this doesn't look like a scam – where a scammer tricks people into sending money, and then disappears.

Therefore, as I consider this to be a civil dispute between Mr S and company A, my decision is that Lloyds don't have any liability to refund any money to Mr S.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 December 2024.

Martin Lord
Ombudsman