

The complaint

Mr H complains that Lloyds Bank PLC hasn't refunded him the full amount of money he lost after he fell victim to a scam.

What happened

Lloyds looked into the complaint and upheld it in part. It offered to refund 50% of Mr H's payments he made from payment two. Mr H thought he should get a full refund of the money he lost. So, he brought his complaint to our service.

Our investigator thought the 50% reduction Lloyds had offered to pay from payment two onwards was fair. Our investigator found Mr H could've protected himself more than he did before he started sending money to the scammer – so he should share some responsibility for the loss.

Mr H's representative asked for the matter to be referred to a decision. It said there was no information about the scam online at the time, and Mr H wasn't aware scams took place on social media sites. So, the complaint's been passed to me to decide.

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'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances. I feel it's worth noting at this point that Mr H has sent very little in the way of evidence to support the claim that he was scammed. The only information I have is a limited amount of text messages sent some time after the first payment, and from Mr H's own online notepad rather than downloaded straight from the application.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I agree Lloyd's ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Having considered the size of the first payment sent by Mr H, it's not of a value (£3) that I would have expected to flag on any of Lloyds automatic payment checking systems.

Lloyds have agreed to refund Mr H from payment two onwards, minus 50% for his role in contributing to the loss. So, what I need to decide is whether I think the 50% reduction is fair in the circumstances of the complaint.

I've thought carefully about whether it would be fair and reasonable to hold Mr H partially responsible for the loss he has suffered. And on balance, in the individual circumstances of this case, I've decided Mr H should bear some responsibility for the loss. I'll explain why.

- I've not been provided with any emails, written correspondence, contracts or anything from the scammer to Mr H to show what he was investing in. This is unusual given the type of investment. And so, if Mr H didn't receive this, it would've been reasonable for him to question the legitimacy of the investment opportunity.
- Mr H has said he found online reviews, but I've been unable to find these from the period leading up to him investing. Mr H also hasn't supplied any evidence of these. It's therefore unclear what reviews, if any, he relied upon.
- I've been unable to find any online presence of the company from the time he sent the payments onwards. It's unusual for a company to not show any presence from a simple search on the internet. This should similarly have given Mr H reason to question the legitimacy of the firm and the investment opportunity.
- Mr H was sent details of the website and account details of where to invest over a third-party messaging service. It's unusual for an investment company to send important information through this type of service, especially given the size of the payments Mr H was making.
- Mr H said he was asked to deposit £3 and then could see a good rate of return on that money. Again, it is unusual for a legitimate investment company to ask for a payment so low to be invested.

In summary, in isolation I can understand how one of these points on their own might've been believable, but the combination of factors should have meant Mr H proceeded with more caution than he did. Mr H could for example, have spoken with an IFA, his bank or a friend, or carried out more research into these types of investment opportunities online.

If he had done so, I think the scam would've most likely been uncovered and his losses prevented. For this reason, I think Mr H didn't do enough to protect himself from falling victim to a scam.

Putting things right

I instruct Lloyds Bank Plc to

- Refund 50% of the payments from payment two onwards (in line with Lloyd's recommendation).
- Pay 8% simple interest per annum on this amount, from the date the payment was made to the date of settlement.

My final decision

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 April 2025.

Tom Wagstaff
Ombudsman