

The complaint

Mr M complains that Lloyds Bank Plc didn't do enough to prevent him losing money to scams.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In summary Mr M met a third party through an online dating app. He says that he was encouraged to 'invest' in cryptocurrency in what he now believes were two linked scams.

Mr M says that at the directions of the scammer he made the following payments.

Statement Date	Amount	Merchant
3 December 2020	£1,521.31	C
4 December 2020	£47.87	C
4 December 2020	£70.10	C
7 December 2020	£65.78	C
14 December 2020	£3,457.03	C
23 December 2020	£21.45	C
23 December 2020	£71.93	C
29 December 2020	£162.94	C
30 December 2020	£76.11	C

All the payments were made using Mr M's debit card and C is a cryptocurrency exchange.

Mr M says that when he experienced difficulties in making a withdrawal from his 'investments' he realised he'd been scammed.

Mr M complained to Lloyds in October 2023. Lloyds responded to the complaint but didn't offer any redress. The matter was referred to our service and one of our Investigators didn't recommend that the complaint should be upheld. In summary he thought Lloyds had acted fairly in the circumstances. Mr M didn't accept this and asked for an Ombudsman to review his complaint.

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've reached the same outcome as our Investigator and for largely the same reasons. I know this will be disappointing for Mr M, so I'll explain why. I've reviewed the previous account activity in the months prior to the payments Mr M is disputing. I accept that some of these are for more than he typically sent from his account. I also accept that more was spent in December 2020 than in most of the preceding months. But overall, I don't think

the payments (either individually or collectively) were so unusual, suspicious or indicative of a potential fraud or scam where I'd expect Lloyds to have done more than they did before processing the payments. Many of the payments were for low values and there was no particular urgency to the spending with the payments being spread across a number of weeks.

I appreciate Mr M thinks Lloyds should've done more, but there must remain a level of proportionality between stopping and checking payments and allowing customers ready access to their funds. And in the circumstances here, I'm not persuaded Lloyds got that balance wrong. It's also important to note that the area of fraud and scams is constantly evolving. And accordingly, banks like Lloyds are expected to keep up to date with current trends and the expectations upon them change over time. And so my findings on this complaint are in the context of the events being complained about taking place in 2020. It clearly wouldn't be fair to retrospectively apply what might reasonably be expected in 2025 to events nearly five years earlier.

Given the payments were all made with a debit card and went to a cryptocurrency exchange, I don't think there was anything Lloyds reasonably could've done to try to recover Mr M's money. The only potential option would've been a chargeback, but this would've been highly unlikely to succeed as it's more likely than not that C would've been able to evidence that they'd done what was expected, that being exchanging Mr M's payments for cryptocurrency.

I'm sorry to hear Mr M lost money in this way, but as I don't think Lloyds have treated him unfairly, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 March 2025.

Richard Annandale
Ombudsman