

## **The complaint**

Mr D complains that Lloyds Bank PLC has declined to reimburse payments that he made in relation to an alleged scam.

## **What happened**

As the parties are familiar with the facts, I'll summarise them briefly. Mr D has brought his complaint via a professional representative, but for simplicity I'll refer to him in relation to comments made on his behalf.

After seeing an advert on social media, Mr D signed up to a training course to help him learn to trade. Related to this he also created an account with their AI trading analysis platform. Mr D made two debit card payments from his account with Lloyds in September 2022 totalling £9,500. Mr D also made payments from an account he holds with another provider which our service is also considering a complaint about separately.

Mr D says he didn't receive the service he paid for – specifically he had an issue with the availability of the mentors, and he felt misled about the time commitment he would need to make to reach the company's thresholds before he could have access to its company trading platform. Mr D describes being pressured into spending more money and this is when he realised he'd been scammed.

Lloyds declined to refund the payments to Mr D – in summary it said there was no evidence this was a scam and that it didn't think it should have done more to prevent the payments. It said it couldn't raise a chargeback because he had received the service he'd paid for.

When Mr D referred his complaint to our service, the investigator didn't uphold the complaint. They didn't think we had enough evidence to support that Mr D had been scammed. They also didn't think Lloyds made an error by not intervening in the payments or that it was unreasonable not to attempt a chargeback.

Mr D said that Lloyds should have intervened as the payments were unusual due to their value and being to a 'new payee'.

As an agreement couldn't be reached, the matter has been passed to me for a decision by an ombudsman. This decision is only about Lloyds, but where appropriate I've considered evidence provided on the complaint Mr D has raised about a different provider in relation to the same alleged scam.

## **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'm not upholding this complaint for similar reasons to the investigator.

It isn't in dispute that Mr D authorised the payments that left his account. So, the starting position – in line with the Payment Services Regulations 2017 – is that he's liable for the

transactions.

The CRM Code (contingent reimbursement model) that Mr D has mentioned isn't applicable to the payments in dispute because it doesn't apply to card payments.

Aside from this, Lloyds is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

However, I first need to consider in any case where an allegation of scam has been made is to determine, so far as is reasonably possible, whether the complainant has in fact been scammed. This is important because the expectation on banks and other payment service providers to be on the look-out for and protect their customers against the risk of fraud and scams isn't triggered where there has been no fraud or scam. It also wouldn't be fair to require Lloyds to reimburse Mr D for funds lost to a bad bargain.

I've carefully considered the information and the arguments put forward by Mr D's representative. Having done so, I've not seen sufficient evidence to conclude that Mr D has lost money to a scam. I'll explain why.

On the evidence available, is it more likely than not that Mr D made these payments as part of a scam?

Not every complaint referred to us as a scam is in fact a scam. Some cases involve companies whose business practices were arguably unethical and/or misleading. However, whilst customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

Mr D doesn't think he's received the service he paid for and says he was misled in video calls about a number of things. But the emails he's provided of his correspondence with the supplier focus on the programme being unsuitable for him due to the time commitment needed for a novice to learn the skills required to meet their thresholds.

Mr D doesn't dispute that he's been provided with a mentor who he's had support from and access to training courses / materials which he's used. The emails also show the supplier engaged with his concerns and extended the training period.

I have considered what Mr D says he was told, and I have also considered the contractual paperwork which he signed. In this case the paperwork Mr D signed does not reflect what he says he was told in video calls.

I've considered the external blogs and reviews Mr D provided about other people's experiences with this supplier. One of the websites sets out the pros and cons of the training course and software provided and while it highlights concerns about the quality and value for money of what's provided, it doesn't conclude it's a scam. I appreciate some of the reviews from users say they also feel misled and that it's a scam, but there are also a significant number of positive reviews.

So, having weighed up the evidence available, I'm not persuaded the payments were made for a fraudulent purpose, rather Mr D appears to have been provided with what's set out in the contract terms. While Mr D may have concerns about whether what he purchased was

good value for money, that is a different matter. And as I've said, it wouldn't be fair for me to hold Lloyds responsible for that.

But, even if it was a scam, I don't think that it would be reasonable to conclude that Lloyds ought to have done more to prevent Mr D's loss. This is because I've reviewed Mr D's account and the payments he's disputing. Having considered when they were made, their value and who they were made to, I'm not persuaded Lloyds ought to have found any of the payments suspicious, such that it ought to have made enquires of Mr D before processing them. I accept they were to a merchant he hadn't paid before, but this wouldn't be enough in itself to be treated as suspicious, particularly when there are no other concerning factors about the payments. I don't consider the payment values to be out of character for the account.

#### Was there anything else Lloyds should have done to recover Mr D's loss?

As the payments were made via a debit card, the only available method of recovery was a chargeback. Lloyds has said it considered that the service had been available to Mr D and so it didn't think a chargeback would be successful in the circumstances.

The chargeback process is voluntary and based on the relevant scheme rules which are specific about the limited grounds in which a chargeback can be raised. It isn't intended to provide a refund in cases of buyer's remorse. Given Mr D hasn't been able to demonstrate the goods/services provided weren't as described in the contract, or that they weren't received, I don't think Lloyds has acted unreasonably in not raising a chargeback in the circumstances.

So, for the reasons explained, I don't think Lloyds needs to do anything more in the circumstances.

#### **My final decision**

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 D to accept or reject my decision before 23 May 2025.

Stephanie Mitchell  
**Ombudsman**