

## **The complaint**

Mr R complains that Lloyds Bank PLC (“Lloyds”) won’t refund money he lost when he fell victim to a job scam.

## **What happened**

The detailed background to this complaint is well known to both parties and has been previously set out by the investigator. So, I’ll only provide an overview and focus on giving my reasons for my decision.

The complaint concerns several transactions totalling around £5,800 which Mr R made between December 2023 and February 2024. These were made in connection with a job opportunity he’d been contacted about on a popular instant messaging platform. Mr R has explained that he had been looking for jobs. He understood from the individual who contacted him that it was a remote job and involved completing ‘tasks’ to support travel agencies in increasing their hotel evaluations and promoting lesser-known hotels. In return, Mr R could earn a salary (including commission) which was paid in cryptocurrency. Unfortunately, Mr R had been contacted by a scammer.

After registering with the company and opening a ‘work’ account, Mr R could see the tasks he had been assigned. It was explained to him that sometimes he could be assigned a ‘luxury deal’ which offered a higher commission. But because a luxury deal had a higher value, it left a negative balance in his work account. Mr R was told he would need to make the account positive before he could complete the tasks and withdraw his earnings. To make that deposit, Mr R purchased cryptocurrency from a cryptocurrency provider and sent it on to wallets as instructed. At the time, he thought he was depositing the cryptocurrency into his work account, given the balance increased accordingly.

When his work account balance kept going negative and he was instructed to make further deposits, Mr R realised he’d fallen victim to a scam. He reported the matter to Lloyds, but it declined to reimburse his losses. Unhappy with this, Mr R complained to Lloyds before referring his complaint to our service.

Our investigator didn’t think Lloyds acted unfairly in processing Mr R’s payments. They didn’t consider the payments were unusual such that the bank should have taken additional steps before carrying out Mr R’s instructions. Once Lloyds was notified of the scam, the investigator didn’t think recovery from the beneficiary of his funds would have been possible given he’d legitimately purchased cryptocurrency from the beneficiary which he did receive. The loss occurred when that cryptocurrency was sent on to the scammer.

Mr R disagreed with the investigator’s findings and asked for his complaint to be determined by an ombudsman.

## **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'd like to start by saying I'm sorry to hear about Mr R's personal circumstances and how this incident has impacted him. I'd like to reassure him and Lloyds that although I've only summarised the background above, so not everything that's happened or has been argued is detailed, I have read and considered their submissions in their entirety.

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

I've reviewed Mr R's account and the payments he made to the scam. 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 R before processing them. The payments were spread out across several weeks and the individual amounts varied between £50 and £1,429. While I acknowledge that the account had been operational for only a few months when the disputed payments were made, and some of amounts sent were higher than the usual account spending, I don't consider they were *that* unusual such that I think Lloyds should reasonably have treated them as suspicious. There's a balance to be struck between identifying payments that could potentially be fraudulent – and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payments.

Mr R has said he's seen a case study on our website which he believes is the same as his situation. He's questioned why there's a difference in the outcome, given we asked the business to refund the customer in the case study. I acknowledge Mr R's frustrations and understand the point he's trying to make. I can see that the investigator explained we consider each case on its own merits. While the case study may bear some resemblance to what happened to Mr R, it doesn't set out the finer details. I've reviewed the case study that he's referred to, and I can see we've said that in that instance we thought the spending on the customer's account was very unusual for them. But that isn't my finding here. Considering the individual circumstances of what happened here, I don't consider Mr R's payments to be very unusual.

I've then considered whether Lloyds took appropriate steps when it was notified about the scam. Majority of the transactions were debit card transactions, so the recovery avenue would have been limited to the chargeback scheme. It is a voluntary scheme run by each card scheme (such as Visa or MasterCard) primarily to resolve settlement disputes but can also be used to resolve disputes informally between a cardholder and a merchant.

There are limited situations in which a chargeback can be used to resolve a dispute between the cardholder and the merchant. Unfortunately, losing money to a scam isn't one of those situations. In Mr R's case, a chargeback would have had little chance of success given the merchant would have been able to provide evidence that the service requested had been provided, i.e., provision of cryptocurrency.

One of the payments was a transfer Mr R made to another bank account in his name. I understand he then used that money to make scam-related payments. Lloyds could only send a recovery request to Mr R's other bank account provider. But as Mr R had already moved the money from that account, there wouldn't be any funds left to recover. If there were funds remaining, Mr R would have been able to transfer them back to his Lloyds account himself.

In conclusion, I realise that this outcome will come as a significant disappointment to Mr R. Despite my natural sympathy for the situation in which he finds himself due to the scammer's actions, for the reasons given, it wouldn't be fair of me to hold Lloyds liable for his loss.

### **My final decision**

For the reasons given, 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 R to accept or reject my decision before 7 May 2025.

Gagandeep Singh  
**Ombudsman**